S. HRG. 98-1133

NOMINATION OF WILLIAM W. HOOVER TO BE ASSISTANT SECRETARY OF ENERGY (DEFENSE PROGRAMS)

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

NOMINATION OF

WILLIAM W. HOOVER TO BE ASSISTANT SECRETARY OF ENERGY

(DEFENSE PROGRAMS)

AUGUST 7, 1984

Printed for the use of the Committee on Armed Services

U.S. GOVERNMENT PRINTING OFFICE
40-078 O WASHINGTON : 1984

S 201-13

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NOMINATION OF WILLIAM W. HOOVER TO BE ASSISTANT SECRETARY OF ENERGY (DEFENSE PROGRAMS)

TUESDAY, AUGUST 7, 1984

U.S. SENATE,
COMMITTEE ON ARMED SERVICE,
Washington, DC.

The committee met, pursuant to notice, at 10:02 a.m., in room SR–222, Russell Senate Office Building, Senator John Tower (chairman) presiding.

Present: Senators Tower, Thurmond, Goldwater, Nunn, Bingaman, and Dixon.

Staff present: Alan R. Yuspeh, general counsel; Arnold L. Punaro, staff director for the minority; Jeffrey H. Smith, minority counsel; Christine C. Dauth, chief clerk; Drew A. Harker, David S. Lyles, and James C. Smith III, professional staff members; and Marie Chaillet and Marie Fabrizio Dickinson, staff assistants.

Also present: Gerald J. Smith, assistant to Senator Goldwater; Les Brownlee, assistant to Senator Warner; Bernard R. Toon, assistant to Senator Quayle; Jeffrey B. Subko, assistant to Senator Exon; Peter D. Lennon and Peter D. Gratton, assistants to Senator Levin; Edward McGaffigan, Jr., assistant to Senator Bingaman; and Charles C. Smith, assistant to Senator Dixon.

OPENING STATEMENT BY SENATOR JOHN TOWER, CHAIRMAN

Chairman TOWER. The committee will come to order.

The committee meets today to consider the nomination of Maj. Gen. William W. Hoover to be the Assistant Secretary of the Department of Energy for Defense Programs.

General Hoover has served as a Director of the Office of Military Application in the Office of the Assistant Secretary for Defense Programs in the Department of Energy since 1979. In that position, he has directed the Nation's Nuclear Weapons Program and has had management responsibility for all research, development, testing and production of nuclear weapons.

Prior to joining the Department of Energy, General Hoover was Commanding Officer of the Lowry Technical Center, Lowry Air Force Base, CO, from 1978 to 1979. From 1976 to 1978, he served as Military Assistant to the Secretary of the Air Force. From 1973 to 1976, he was assigned to Supreme Headquarters, Allied Powers Europe in Brussels, Belgium.

General Hoover is a veteran of the Vietnam war. He has also had experience in the Office of the Deputy Chief of Staff for Plans and Operations on the air staff, as well as in the procurement of weapons systems. General Hoover is a fighter pilot.

General Hoover is a graduate of the U.S. Naval Academy. He holds a master of science degree in aeronautical engineering from the Air Force Institute of Technology and graduated from the Air Command and Staff College and the National War College.

I might note for the record that the committee has received a letter from Congressman John Dingell, chairman of the Committee on Energy and Commerce of the House of Representatives, making certain observations about General Hoover's nomination.

At my request, General Hoover has commented in writing on certain of the matters discussed in the Dingell letter. I would ask that Mr. Dingell's letter, as well as General Hoover's response, along with Mr. Dingell's letters to Mr. Hodel, Secretary of the Department of Energy, dated October 26, 1983, and May 7, 1984, and also Mr. Dingell's letter to Hon. Robert McFarlane, the assistant to the President for National Security Affairs, be introduced into the record of this hearing.

[The letters from Mr. Dingell and General Hoover's response follow:]

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
OF THE COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, June 19, 1984.

Hon. JOHN TOWER,
Chairman, Committee on Armed Services, U.S. Senate,
Russell Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: For nearly two years, the Oversight and Investigations Subcommittee has been conducting a continuing investigation and review of the adequacy of safeguards and security at this Nation's nuclear weapons production facilities operated by the Department of Energy (DOE).

According to a recent article in the Knoxville Journal you have also expressed concern about this issue. You noted that an accident or an incident involving either special nuclear or high explosive material could cause irreparable harm to the Nation's necessary efforts to maintain and modernize our strategic nuclear deterrent. We share your concern. This is why the Subcommittee on Oversight and Investigations has devoted considerable effort in an attempt to insure that the DOE has an effective safeguards and security program. Rather than elaborate here on the many issues and continuing problems involved, I am enclosing for your information several letters that I have recently sent to Secretary Donald P. Hodel and to the Assistant to the President for National Security Affairs, Robert C. McFarlane. These letters strongly indicate that the crux of the problem and the chief obstacle to achieving adequate protection of our nuclear weapons facilities has been the performance and attitude of those DOE senior officials who have been given the responsibility to manage the nuclear weapons program.

My concern that DOE have competent management in this critical area of safeguards and security has prompted me to write this letter. The President has nominated Major General William W. Hoover for the position of Assistant Secretary of Energy for Defense Programs. He will soon be coming before the Senate Armed Services Committee for confirmation. As Assistant Secretary, General Hoover, if confirmed, will be responsible for the adequacy of safeguards and security throughout the Department's nuclear weapons complex. This is an important responsibility. One would hope that the nominee for this post would have had a demonstrated capability and willingness to insure that nuclear weapons are produced without undue risk to the national security and to the public at large. Unfortunately, to date General Hoover has not proved to our satisfaction that he possesses that capability and willingness. As the Director of DOE's Office of Military Application and later as Deputy Assistant Secretary for Military Application, Mr. Hoover has had direct programmatic responsibility for this Nation's nuclear weapons production complex. As such, he was responsible for meeting the nuclear weapons production schedule as approved by the President.

It goes without saying that any incident, such as the sabotage of a "one-of-a-kind" production facility, or the theft of a nuclear component or test device, would not only negate the production schedule, but would also place this country in serious difficulty. While other senior officials at the DOE certainly had

the responsibility to make certain that the weapons sites were safe and secure, so did General Hoover. Unfortunately, there has been little indication that he has bothered to concern himself with safeguards and security problems. In fact, notwithstanding being personally advised of serious safeguards and security problems pertaining to his weapons complex, there is no indication that General Hoover took any meaningful action to rectify a deplorable situation.

As a case in point, General Hoover knowingly allowed nuclear test devices to remain essentially unsecured for over four years at the Los Alamos Laboratory. Only because of persistent efforts by this Subcommittee was this finally corrected. Even at the eleventh hour, when General Hoover was called upon to make a crucial decision on whether to continue assembling test devices at Los Alamos, he failed to show that he was able to deal with this significant issue. Otherwise, he would have acted without hesitation.

I firmly believe, as do the other Members of the Subcommittee, that the Congress must receive accurate and timely information on matters affecting the national security and the public health and safety. Unfortunately, for too long now, some senior DOE officials have not seen fit to discuss in a frank and candid manner the serious safeguards and security problems within the Department. Former Assistant Secretary for Defense Programs Herman E. Roser misled this Subcommittee in a hearing in September 1982 on the magnitude and seriousness of DOE's safeguards and security problems. Mr. Roser was later forced to retire from Government service. I had hoped that whoever the President selected to replace Mr. Roser would reverse this trend so prevalent at the DOE. General Hoover had an opportunity to prove his mettle last fall. Much to my disappointment, however, he did not give an accurate portrayal of the Department's serious problems in an appearance before the House Foreign Affairs Committee. His testimony contrasted sharply with the very candid presentation made by the Department of Defense representative. Later, General Hoover was forced to correct and clarify his testimony before that Committee.

Now I understand that General Hoover's answer to the safeguards and security problem is to establish an "independent" inspection program reporting directly to him. The Subcommittee has devoted considerable time studying the entire gambit of inspections, evaluations and assessments at the DOE. We have concluded that the most effective arrangement is a two-tier program—an inspection capability that permits the Office of Safeguards and Security (OSS) to exercise its required oversight of field office and contractor programs and an evaluation program, independent of the OSS and Defense Programs organization, which would insure that the entire management structure for safeguards and security is working as it should. General Hoover's action would deprive the OSS of a vital tool and would still leave unanswered important questions relating to the management of the safeguards and security program. The recommendation is a thinly veiled effort to stave off an amendment to the DOE Defense Authorizations bill which would establish an independent Office of Safeguards Evaluation.

I strongly urge the Armed Services Committee to examine carefully General Hoover's qualifications to assume the position of Assistant Secretary of Energy for Defense Programs. It should be made clear to General Hoover, in the strongest terms, that continued security debacles at these sites will no longer be tolerated. No one wants a nuclear incident of our Nation's defense posture hurt. The Congress and the President have made this abundantly clear. General Hoover, if confirmed, should conduct his office in a manner consistent with the confidence placed in him.

I would be pleased to discuss this further with you if you so desire.

Sincerely,

JOHN D. DINGELL, *Chairman,*
Subcommittee on Oversight and Investigations.

Enclosures.

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, October 26, 1983.

Hon. DONALD P. HODEL,
Secretary, Department of Energy,
Washington, DC.

DEAR MR. SECRETARY: From your participation in our hearing process and our mutual discussions, you are well aware of the deep and abiding concern of the Subcommittee on Oversight and Investigations over failures within your De-

partment. Government-owned facilities which produce nuclear materials and nuclear weapons critical to the national defense are not adequately protected. This, as you know, has been amply proven by our investigation into the extent of the inadequacies and the reasons that this sorry situation arose.

However remote the possibility, if there were a successful theft of significant quantities of Special Nuclear Material (SNM) or sabotage at one of these facilities, the impact on the Nation's weapons program and the public health and safety would be incalculable. As you know, a number of these facilities are one-of-a-kind—if sabotaged, the weapons program would come to a halt for as long as six to twenty-four months with attendant serious impacts on our stockpile and our nuclear deterrent capability.

The attitude of Department of Energy officials directly responsible for the safeguards program is unacceptable. They have attempted to mislead this Subcommittee and, according to the General Accounting Office, has misled the President. They appear to be more dedicated to turf battles and bureaucratic infighting than they are to protecting the national security. Now I learn that key officials are being rewarded for their actions rather than punished.

Since 1981 and after the severe vulnerabilities came to light at our most critical weapons facilities, the five key officials responsible for the safeguards program have received over $115,000 in cash awards and several Presidential Awards and Secretarial Gold and Silver Medals. This flagrant cronyism is the most outrageous example of the "Buddy Bonus System" I have seen to date.

An award should serve as a clear beacon of outstanding public service to the rest of the bureaucracy. The action of these individuals is so threatening to the national security that it makes a mockery of the process. For example, an Assistant Secretary received a $10,000 bonus after he was allowed to resign. I suggest that these awards be rescinded and the money returned to the Treasury.

Since the September 1982 hearing, we have found examples of vaults containing significant quantities of plutonium in a desirable form, which could not be defended; sensors and alarms that do not work; guards who cannot shoot; during one exercise, guards fired on one another rather than the attacking force; a guard force with a .6% chance of interrupting an attacking force; a guard force that responded to a mock attack 16 minutes after the attackers had left with plutonium; a Japanese camera crew, in a helicopter, filming a highly sensitive bomb facility without challenge; contractors refusing to allow guards to respond to a mock attack; and, a disgruntled former employee who drove past guards at the main gate and threatened to destroy a key facility.

It is clear to me that you are being ill-served by those subordinates who are being so richly rewarded. If the Department of Energy had followed the recommendation made a year ago by the General Accounting Office and the Subcommittee and had established an Office of Safeguards Evaluation reporting directly to the Secretary, you could have saved yourself a good deal of grief and the country an unacceptable risk.

We were assured by top Department of Energy officials at a hearing on September 10, 1982 that the security at these facilities was adequate. This, despite the fact that independent assessments conducted in 1979 and 1980 by the Department of Energy and the General Accounting Office had clearly identified major deficiencies in the management structure underlying the defective physical protection program. While the Subcommittee was staggered by the contrast between the Department of Energy's view that essentially all was "okay" and by the (by then abolished) independent assessment program reports, it was even more deeply disturbed by subsequent events. After the September 1982 hearing, a series of additional revelations, identified only because of the direct pressure of this Subcommittee, provided a distressing view of the ability of the Department of Energy to protect vital materials and facilities at a variety of locations. We observed a clear indifference on the part of the Department to make key changes in the personnel responsible for its failures. The Department seems to have failed to recognize the connection between the woefully ineffective systems and attitudes and the people responsible for them in the first place.

For example, in January 1983, exercises were conducted at Savannah River which resulted in the guard force refusing to take certain critical actions. It was also revealed that the guard force had no plans or training to conduct other essential operations to protect the facility from theft of plutonium and sabotage of production reactors. Therefore, for years the public health and safety was in serious jeopardy—and key officials either knew for years, or should have known, of this situation. Security at Savannah River has improved substantially since

the Committee and the Department of Energy have focused on the problem—a clear sign the job can be done.

The Subcommittee held hearings on Savannah River and related issues in April 1983. At that hearing, I pointed out that certain key officials at the Department of Energy had put this Nation's national security and public health and safety in serious jeopardy. The Subcommittee wanted to know who was going to be held accountable for these and other incredible failures. Assistant Secretary Roser was later asked to resign—but Mr. Roser is not the only responsible official. I asked you to carefully examine the role of other responsible officials—in particular: Troy Wade, Principal Deputy Assistant Secretary; James Culpepper, Deputy Assistant Secretary for Security Affairs; Ralph Caudle, Director of the Office of Safeguards and Security; and Robert Morgan, Manager of the Savannah River Operations Office.

Since the April hearing, the list of facilities with seriously inadequate security systems is growing—at least three other facilities have come to the attention of the Subcommittee Members. The staff has recently visited two of these facilities, interviewed officials, and reviewed documents.

These visits and documents reveal the depressing fact that key Department officials, the same officials involved from the beginning, should not have been surprised by these situations. There were documents in the system that clearly revealed the problems. One of these situations came to light nine months after the September 1982 hearing—the other, a year later.

In what would appear to be a frantic attempt to rectify a managerial problem, suddenly massive resources and personnel are now being poured into these facilities in an attempt to string gold-plated fencing around a serious managerial problem.

International terrorism is increasing, and consequently, the risk to our weapons facilities has increased. For example, one of the major objectives of General Dozier's kidnappers was to determine the location of U.S. nuclear weapon stockpiles in Europe. Colonel Qadhafi's interest in obtaining a nuclear weapon or weapons material is well-known. Of serious concern is the recently revealed theft and sale of extremely sensitive technology involved in the Minuteman missile program.

The debacle in Lebanon is a case in point. I am sure that if something happens at one of these facilities involving an extortion attempt or a nuclear explosion, the Department of Energy and the National Security Council will suddenly decide it is time to take this issue seriously. Then, of course, it will be too late.

In the face of this management debacle, you can imagine my surpirse when I learned that five of the officials identified in the April hearing as bearing a major share of the responsibility for this situation have been rewarded with medals and bonuses for their "outstanding" work at the Department of Energy on the safeguards program. I am incredulous.

The following are examples of the Department of Energy's perverse reward and punishment system:

Herman Roser, Assistant Secretary for Defense Programs, killed the independent assessment program which had been severely critical of his security program when he was the Manager at Albuquerque. At the Subcommittee's hearing in September 1982, he misled the Subcommittee about the status of security at the Department of Energy's facilities. He was recently asked to resign. Mr. Roser received the following awards: 1980—Presidential Meritorious Service Award—$10,000; 1981—11 percent SES bonus of $5,802; 1982—19 percent SES bonus of $11,115; 1983—15 percent SES bonus of $10,080.

Troy Wade, Principal Deputy Assistant Secretary, was the Assistant Secretary's point man on safeguards and heavily involved in the issue over the last year. Mr. Wade also recommended that Mr. Roser terminate the independent assessment program. Mr. Wade received the following awards: 1981—President's Meritorious Service Award—$10,000; 1982—17 percent SES bonus of $9,945; 1983—Secretarial Meritorious Service Award (Silver Medal), and 19 percent SES bonus of $12,768. Mr. Wade was further rewarded recently by being named Manager of the Idaho Operations Office.

James Culpepper, Deputy Assistant Secretary for Security Affairs, has line responsibility for the Department of Energy's safeguards program. Mr. Culpepper was in charge of developing the controversial Sixth Annual Report to the President on the status of safeguards. The General Accounting

Office characterized that report as misleading. Mr. Culpepper received the following awards: 1981—20 percent SES bonus of $10,022; 1982—10 percent SES bonus of $5,850; 1983—8 percent SES bonus of $5,240.

Ralph Caudle, Director of the Office of Safeguards and Security, has the day-to-day responsibility for the safeguards at weapons production facilities. Similar to Mr. Roser, Mr. Caudle continued to assure the Subcommittee that security at Department of Energy facilities was adequate. This was not true and documents in his file clearly indicated that it was not true. Mr. Caudle received the following awards: 1982—5 percent SES bonus of $2,925, and Special Act of Service Award of $5,000; 1983—Secretarial Meritorious Service Award (Silver Medal), and 11 percent SES bonus of $7,018.

Robert Morgan, Manager of the Savannah River Operations Office, in 1981, as Acting Assistant Secretary, put a hold on the independent assessments program that had been highly critical of safeguards at Savannah River. At the September 1982 Subcommittee hearing, Mr. Morgan misled the Subcommittee about the status of safeguards at Savannah River. In January 1983, a Department of Energy assessment found Savannah River safeguards in shambles. Mr. Morgan received the following awards: 1981—Presidential Distinguished Service Award—$20,000; 1982—11 percent SES bonus of $6,435; 1983—Secretarial Meritorious Service Award (Gold Medal).

This is a curious reward and punishment system—it seems to have been stood on its head. Those who put the public health and safety and the national security in jeopardy are rewarded and those who bring serious problems and vulnerabilities to light go unrewarded.

Would you please supply all documents, memoranda, correspondence, and related papers involved in the recommendation and consideration of the various awards and promotions for Messrs. Roser, Wade, Culpepper, Caudle, and Morgan.

Please supply the requested information by Wednesday, November 2, 1983. If you have any questions regarding this request, please contact Michael Barrett or Peter Stockton of the Subcommittee staff at 225–4441.

Thank you for your cooperation in this matter.

Sincerely,

JOHN D. DINGELL, *Chairman,*
Subcommittee on Oversight and Investigations.

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, May 7, 1984.

Hon. DONALD P. HODEL,
Secretary, Department of Energy,
1000 Independence Avenue SW, Washington, DC.

DEAR SECRETARY HODEL: As you are well aware, the Los Alamos National Laboratory is one of our most critical nuclear weapons facilities to protect because nuclear test devices are assembled at one of the sites. According to your own Defense Programs officials, test devices are at the top of the list of items to be defended at the complexes. If stolen, in a very short period of time a terrorist group could explode a test device, resulting in a nuclear detonation.

You will recall that in January 1980 the Independent Assessment Program issued a report severely critical of the safeguards at Los Alamos. That report was one of the subjects addressed in detail at the Subcommittee's September 1982 hearing. The assessment team, among other things, found that the Federal guard force had been so depleted it was totally ineffective, and special nuclear material was stored in numerous locations over the site which could not be defended. One of the findings was that the "S" site, where the test devices are assembled before shipment to the Nevada Test Site, was not adequately defended. The team suggested that the function be terminated at Los Alamos and transferred to the Nevada Test Site.

Under questioning by the Subcommittee, Mr. Vance Hudgins, a Defense Programs official and the team leader, reluctantly admitted that if Los Alamos, in 1980, had been a sovereign nation he would have had to recommend to the Assistant Secretary for Defense Programs that no special nuclear material be shipped to Los Alamos until the security at the facility was substantially upgraded. That is the single most shocking admission possible.

Department of Energy (DOE) officials continued to assure the Subcommittee that safeguards at Los Alamos had been upgraded on a crash basis and that the facility could meet the baseline threat. The Subcommittee continued to raise questions about Los Alamos, particularly, why the new guard force and the "S" site had not been tested by the Inspection and Evaluation team from Washington.

In November 1983, I directed the Subcommittee staff, accompanied by Mr. Robert Dexter, a Subcommittee consultant, to visit the Albuquerque Operations Office and the Los Alamos National Laboratory. They found, among other problems, that the "S" site at the laboratory had never been tested using viable exercises either by Washington or Albuquerque. After touring the site and discussing the security and response plans with both Albuquerque and Los Alamos officials, the staff concluded that the "S" site could not be defended. They also found that there were no contingency plans in the event a device was stolen.

After their return, the Subcommittee staff met with top DOE security officials and recommended that the activities at the "S" site be terminated and transferred to the Nevada Test Site, similar to the Lawrence Livermore National Laboratory (LLNL) operation. DOE officials continued to claim that the "S" site could be defended, and even if it could not, it was up to the program people to make a decision to transfer the function. The program officials claimed they were considering the matter. In other words, the security at Los Alamos was held hostage to bureaucratic paralysis while your office apparently did not focus on the problem.

In late March 1984, four years after the 1980 assessment and four months after the Subcommittee staff review, the Inspection and Evaluation team finally ran exercises at Los Alamos. The results were a shocking commentary on the management of the safeguards and security program at DOE. As you are painfully aware, in two tests the mock terrorists would have been able to steal plutonium, in another test a band of terrorists would have easily stolen a nuclear test device. The results of these tests are an outrage at this late date. DOE officials responsible for this program were told time and time again that they had critical problems at Los Alamos, possibly insurmountable problems at the "S" site in particular, and that the function should be terminated. They refused to address the problem in a responsible and timely manner. When the Inspection and Evaluation team returned from Los Alamos, they briefed the Subcommittee staff on the results of the exercises. Again, the staff raised the issue of closing down the "S" site. There continued to be bureaucratic confusion. Two hours after that meeting, you finally ordered the site closed. I applaud your belated action.

The Subcommittee's patience is wearing thin. Officials responsible for security failures are promoted and rewarded while honest bureaucrats are harassed. This situation at Los Alamos goes far beyond the limits of our patience.

You are requested to report to the Subcommittee by Friday, May 18, 1984, on the responsibility of the following officials for the incredible failure of security at the Los Alamos National Laboratory: 1. Robert Morgan; 2. William Hoover; 3. James Culpepper; 4. Ralph Caudle; 5. Ray Romatowski; 6. Donald Kerr; 7. Robert O'Brien; 8. Troy Wade; and 9. Louis Montoulli.

Please respond to the following questions, among others, for each of the individuals listed:

1. What was the position each of these officials held at the time of the independent assessment of Los Alamos in 1980?
2. Did their responsibilities over the last four years entail safeguards and security of the Los Alamos nuclear test devices?
3. Had they been aware of the serious security problems at Los Alamos?
4. What are their current positions?
5. Does their current positions include responsibilities for safeguards and security?

We would like to be informed of the disciplinary actions taken against each of these individuals or others as a result of the situation at Los Alamos.

If the Subcommittee is not satisfied with the actions taken by the Department relative to this matter, we are prepared to address them in a public hearing.

As you are aware, last year, the Energy and Commerce Committee unanimously adopted an amendment to the DOE defense authorization bill to establish an independent Office of Safeguards Evaluation which would report directly to you.

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That bill was never brought to the floor. In addition, you refused to establish such an office administratively. This was unfortunate. If such an office had been established, this debacle at Los Alamos would not have occurred. The situation would have been recognized and corrected in a timely fashion. This unfortunate incident drives home, once again, the need for an independent oversight of this program. I hope you can support my efforts this year to establish an Office of Safeguards Evaluation.

I look forward to hearing from you by Friday, May 18, 1984.

Sincerely,

JOHN D. DINGELL, *Chairman,*
Subcommittee on Oversight and Investigations.

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, May 11, 1984.

HON. ROBERT C. MCFARLANE,
Assistant to the President for National Security Affairs. National Security Council, West Wing, The White House, Washington, DC.

DEAR MR. MCFARLANE: For almost two years, the Subcommittee on Oversight and Investigations has been reviewing the adequacy of safeguards and security at Department of Energy (DOE) nuclear weapons facilities. As you know, this Subcommittee has been concerned and disappointed over: The continuing failure of DOE to provide adequate security at this Nation's most sensitive weapons sites; and the refusal of the Secretary of Energy to hold anyone accountable. Instead, the officials responsible for these debacles have been rewarded richly with medals and cash bonuses.

On May 7, 1984, I sent a classified letter to Secretary Hodel expressing the Subcommittee's grave concern over a recent security debacle at one of our most critical facilities. This obvious vulnerability had been identified by the Independent Assessment Program in 1980. The Subcommittee staff visited the facility last year and recommended to top DOE officials that the problem site be shut down because it could not be defended. Paralyzed by its bureaucratic processes, the DOE did nothing until its test confirmed the catastrophic inability to defend the site. Shortly after another meeting with the Subcommittee staff, Secretary Hodel finally terminated nuclear weapons activities at the site. It is more than a little late in this effort for the Secretary of Energy now to have to shut down one of the most sensitive sites in the whole bomb complex because it cannot be defended against a terrorist attack. I am attaching that letter for your review.

As if the lack of adequate physical security involving nuclear weapons and nuclear materials was not enough, the Subcommittee is further concerned to learn that the Department is evidently doing the same poor job in protecting classified information. The same officials are involved. Last week, the Subcommittee learned that classified documents at the Secret Restricted Data level were found in a lounge chair that had been sent to the District of Columbia's prison at Lorton, Virginia. This is incredible! But there have been other incidents that have been far more unnerving.

On March 15, 1984, Secretary Hodel, in response to a request by the Subcommittee, furnished information on these incidents concerning the Department's inability to protect classified or sensitive information. The most serious of these incidents involved the loss of seven Top Secret documents, five of which were generated by the National Security Council. It is important to note that DOE did not inform the National Security Council or the Department of Defense that their documents had been lost until after our Subcommittee inquired into the matter. The Subcommittee is aware of the substance of these documents—there are few documents that could be more sensitive from an espionage standpoint.

From the information the Subcommittee has received, DOE first became aware of the missing documents in July 1980, but waited until August 1982 before initiating an investigation. The manner in which this investigation was conducted is highly questionable, and the Subcommittee is confused by the conflicting conclusions reached by DOE as to the probable disposition of the missing documents. One report indicated that it seems likely that the documents remain in the custody of DOE and are probably stored in approved security repositories. However, in a February 15, 1984 letter to the National Security Council, DOE advised

that the documents were inadvertently destroyed. The truth is that the Department does not know what happened to the documents. The documents had been signed out to Secretary Schlesinger's office. That the DOE can treat such a serious matter so lightly is beyond comprehension.

Another breach of security occurred in September 1983, when eight boxes of documents containing classified Secret Restricted Data information were sent from the Los Alamos National Laboratory to Informatics General Corp., Rockville, Maryland, which is not an approved DOE classified facility. The Subcommittee was told that approximately 145 mistakes were made in declassifying these documents. This resulted in classified materials being put into the hands of uncleared personnel for a significant period of time.

One month later, a set of construction drawings for the Portsmouth Ohio Gas Centrifuge Enrichment Plant was found in a wooded area in Portsmouth. The Subcommittee understands that these drawings included details of the security systems for the centrifuge plant. While DOE has indicated that these drawings are not classified or sensitive, the Subcommittee questions how any security plans can be considered anything but sensitive.

In addition, I am sure you are aware of the debacle that occurred in a recent espionage case involving some of our more sensitive weapons facilities.

Apparently, the Department's concept of security is to condone flagrant abuses of the Department's own rules and regulations while doing little or nothing to address legitimate concerns. In February, the Subcommittee held a hearing concerning the harassment of DOE Security Specialist John H. Hnatio by his superiors at DOE. Mr. Hnatio's security clearance had been threatened because of a bogus charge that he had improperly handled some cryptic notes on a yellow sheet of paper in a briefing of a Subcommittee staff member. This was determined to be a deliberate setup to chill his further cooperation with the Congress. Mr. Hnatio is one of the few individuals at DOE who has provided accurate information concerning DOE's safeguards and security program.

In addition to over zealous actions in response to a nonsecurity issue, the Subcommittee has also been concerned with the apparent deliberate misuse of the classification system. DOE's policy has been to classify vulnerabilities in security systems, notwithstanding the fact that such weaknesses have long been corrected. DOE has also violated President Reagan's mandate in Executive Order 12356 by using its classification authority to conceal inefficiency and administrative error; to prevent embarrassment; and to delay the release of information that does not require protection in the interests of national security.

This bureaucratic nonsense must stop. Legitimate security interests are not being protected. Precious resources are being expended to harass people and keep the public from learning that public servants are not doing the job that is rightfully expected of them. Those responsible must be held accountable. Hopefully, you will address these issues in the impending National Security Council review of the status of safeguards and security at DOE and DOD facilities.

In the past, this Subcommittee and the staff have cooperated with the National Security Council. If we can be of help in the future please call on us. I would appreciate your comments on issues raised in this letter and the attached letter to Secretary Hodel.

Thank you for your cooperation in this matter.

Sincerely,

JOHN D. DINGELL, *Chairman,*
Subcommittee on Oversight and Investigations.

Enclosure.

DEPARTMENT OF ENERGY,
Washington, DC, August 3, 1984.

Hon. JOHN TOWER,
Chairman, Committee on Armed Services, U.S. Senate,
Washington, DC.

DEAR MR. CHAIRMAN: I would like to take this opportunity to discuss with you my perspective on the issues that have been raised concerning my performance record on safeguards and security (S&S) and in particular my commitment to this vital program. Mr. Chairman, I have worked closely with the Senate Armed Services Committee over the years during my tenure as the Director of Military Application and the Deputy Assistant Secretary for Military Application, and believe I have demonstrated a firm commitment to provide for the common defense and security of this Nation. In this regard, I have tried to strike

the proper balance between the production and protection responsibilities I have shouldered since my initial assignment in the Department of Energy (DOE) in 1979.

I have never knowingly allowed any nuclear devices to remain in a situation of unacceptable real risk. On the contrary, in the last several years I have worked closely with the S&S officials to systematically identify and address our vulnerabilities and I believe significant progress has been made. Obviously, more needs to be done, and detailed plans and budgets have been developed to continue upgrading safeguards and security at all of our facilities. I have been fully supportive of all initiatives that provide for the correction of deficiencies throughout the complex.

Prior to initiating the current upgrading activities, I was involved in the Safeguards and Security Improvement Program (SSIP) which was initiated in early 1981 to identify critical facility safeguards and security vulnerabilities and to provide options for improvement at DOE weapons and nuclear materials production sites. In June 1982, the Assistant Secretary for Defense Programs (ASDP) approved the recommendations of the ad hoc support team and directed that specific projects identified to meet immediate needs with high payoff (quick-fixes) be completed in fiscal year 1982–1983 followed by a phased, multiyear completion of critical and priority needs—allocated on the basis of detailed field requests and headquarters review. I fully concurred in these actions. Many of these projects have been completed and have made a significant impact on reducing vulnerabilities at DOE facilities.

While being informed of vulnerabilities that are perceived to exist is critical, it is not always possible to immediately fix or resolve such deficiencies. Certain vulnerabilities have grown up over a long period of time (i.e., since the early 1950's) and require large capital expenditures to correct. It should be noted, in this regard, that during my tenure as Director of the Office of Military Application, the budget for safeguards and security improvements at DOE weapons facilities has quadrupled.

I would now like to briefly discuss the situation at the Los Alamos National Laboratory (LANL), which has received a great deal of attention over the past few months by the Department and Congressman Dingell. An assessment in 1980 concluded that an inadequate Federal guard force existed at LANL due to continued decreases in Federal manpower authorizations. Between 1980 and 1982, corrective actions were instituted that resulted in converting the Federal guard force to a contractor guard force. This allowed us to significantly increase the size and effectiveness of the LANL guard force.

The team conducting the 1980 assessment also suggested that certain key LANL sites be subjected to significant physical protection upgrading. We instituted a number of measures which we believed would be responsive to enhancing security. When the most recent Inspection and Evaluation (I&E) inspection (March 1984) illustrated that, even with the implementation of numerous enhanced measures, a key facility at LANL would still fall below an acceptable level under our threat guidance standards, it was promptly shut down and its functions transferred to a more secure location.

I proceeded to Los Alamos the day after the results of the Inspection and Evaluation were made known in order to confer with the Manager of the Albuquerque Operations Office on the I&E findings. The determination was made by the Field Manager upon receipt of the findings of the I&E staff to close down the facility in question. I concurred in the action taken by the Field Manager and we discussed the situation with the Secretary who also agreed with our decision.

In a recent letter to Congressman Dingell, the Secretary noted the following: "... it is important to note that the objective of the inspection and evaluation (I&E) program is to uncover vulnerabilities in the system. The I&E teams have access to classified information at each site regrading response plans, guard deployment, and security features including type and location of barriers, sensors, and other protective components. Utilizing this information, scenarios are developed to test the site's safeguards and security systems. These scenarios are designed by the I&E team after multiple site visits and purposely try to target the most critical facilities on the site. In addition, this exercise generally applies the maximum level of terrorist attack as defined in our current threat guidance. I am committed to continue such tests to ensure that we identify deficiencies and take both immediate and longer-term actions to correct the problems. It is critical that we do this to more wisely focus our managerial and technical resources on those areas that most need correcting. The I&E results have provided invaluable

information which, along with other programmatic activities, allowed the Department to budget the necessary resources and successfully defend their need. All of this is necessary if we are to bring our protection systems up to the standards we mutually desire. Unfortunately we must anticipate that future I&E inspections will identify areas needing improvements. I believe our systematic approach is working and working well." I agree fully with the above position of Secretary Hodel on this critical activity.

One of the critical concerns facing each of us involved in protecting many of the most sensitive facilities in the United States is the matter of judgment on how much security is enough, recognizing where you may be vulnerable and the known potential risk. The perception of the threat since 1980 has changed dramatically with the Beirut massacre serving as a horrible reminder that U.S. personnel and interests are likely targets for future attention. I am ever mindful of this incident and recognize fully the critical importance associated with the protection of this Nation's nuclear weapons production capabilities and facilities.

For the last five years, I have participated in the decisionmaking process as it effects the physical protection of critical nuclear resources and I have developed a deep appreciation for what needs to be done to bring the protective systems at each major DOE facility to the highest levels of effectiveness and efficiency humanly possible. Please be assured that I am committed to this program and to all of the other responsibilities I would have as the Assistant Secretary for Defense Programs.

Sincerely,

WILLIAM W. HOOVER,
Major General, USAF,
Director of Military Application Defense Programs.

Chairman TOWER. I should also note that General Hoover has met with the staff of the committee to determine that his financial holdings do not pose any conflict of interest with the position for which he has been nominated.

There may be a need for an executive session with General Hoover if any questions of members regarding security and safeguards at nuclear weapons facilities involve classified information and cannot be answered in open session. I would ask that we complete all of our questioning which can be done in open session, and then have a closed session, if one is required by the sensitivity of the material to be discussed.

[The nomination reference and biographical sketch of General Hoover follow:]

NOMINATION REFERENCE

SENATE OF THE UNITED STATES,
APRIL 19, 1984.
(Under authority of the order of the Senate of April 13, 1984.)

Ordered, that the following nomination be referred to the Committee on Armed Services:

William W. Hoover, of Maryland, to be an Assistant Secretary of Energy (Defense Programs), vice Herman E. Roser, resigned.

BIOGRAPHICAL SKETCH OF MAJ. GEN. WILLIAM WALTER HOOVER

Maj. Gen. William W. Hoover is deputy assistant secretary for military application, U.S. Department of Energy, in Washington, D.C. He directs the Nation's nuclear weapons program and he has management responsibility for all research, development, testing and production of nuclear weapons.

General Hoover was born March 30, 1932, in St. Joseph, Mo. He graduated from Hirsch High School, Chicago, in 1950. Upon graduation from the U.S. Naval Academy, Annapolis, Md., in 1954, he was commissioned a second lieutenant in the U.S. Air Force and subsequently graduated from pilot training in 1955. He re-

ceived a master of science degree in aeronautical engineering from the Air Force Institute of Technology in 1960; graduated from the Air Command and Staff College, Maxwell Air Force Base, Ala., in 1965; and the National War College, Fort Lesley J. McNair, Washington, D.C., in 1971.

His first assignment was at Castle Air Force Base, Calif., as a fighter-interceptor pilot from December 1955 to February 1959. He then attended the Air Force Institute of Technology for graduate study. After receiving his master's degree in September 1960, General Hoover served as a research and development officer with the Air Force Systems Command's Space and Missile Systems Organization in Los Angeles.

In November 1965, General Hoover completed the Air Command and Staff College and was assigned as an operations officer, 57th Fighter-Interceptor Squadron at Keflavik Airport, Iceland.

General Hoover transferred to Headquarters U.S. Air Force, Washington, D.C., in November 1976 for a tour of duty as a planning and progamming office in the Directorate of Doctrine, Concepts and Objectives, Office of the Deputy Chief of Staff, Plans and Operations. He attended the National War College from August 1970 to August 1971.

After F–4 training at MacDill Air Force Base, Fla., General Hoover was assigned in March 1972 as deputy chief of staff, operations, for the 366th Tactical Fighter Wing at Da Nang Air Base, Republic of Vietnam. In June 1972, when the 366th Tactical Fighter Wing was relocated to Takhli Royal Thai Air Force Base, Thailand, General Hoover remained at Da Nang as commander of the 6498th Air Base Wing. He remained there until March 1973, when the wing was inactivated and the base turned over to the Republic of Vietnam.

General Hoover moved to Belgium in May 1973 as executive officer to the assistant chief of staff, operations, Supreme Headquarters Allied Powers Europe. In June 1974 he was named executive officer to the chief of staff, Supreme Headquarters Allied Powers Europe.

In January 1976, General Hoover was appointed military assistant to Secretary of the Air Force Thomas C. Reed. After Mr. Reed's departure in April 1977, he remained, as military assistant to Secretary of the Air Force John C. Stetson. General Hoover was named commander of the Lowry Technical Training Center, Lowry Air Force Base, Colo., in April 1978 and served in that capacity until assuming his present duties in September 1979.

General Hoover is a command pilot and flew 97 combat missions in Southeast Asia. His military decorations and awards include the Air Force Distinguished Service Medal, Legion of Merit with one oak leaf cluster, Distinguished Flying Cross with one oak leaf cluster, Meritorious Service Medal, Air Medal with six oak leaf clusters, Air Force Commendation Medal, Presidential Unit Citation emblem, Air Force Outstanding Unit Award ribbon with "V" device and four oak leaf clusters and Republic of Vietnam Gallantry Cross with gold star.

He was promoted to major general June 1, 1979, with date of rank Sept. 1, 1975.

General Hoover is married to the former Nan Widmann of Pomona, Calif. They have two children: a daughter, Dawn, and a son, Kenneth Ward.

Chairman TOWER. Senator Nunn has been detained briefly. He will be here shortly.

Let me yield to Senator Bingaman for any comments he might have.

Senator BINGAMAN. I have no comments, Mr. Chairman. I am looking forward to General Hoover's presentation.

Chairman TOWER. General Hoover, it is my understanding you are now no longer on active duty. You are separated from active duty?

General HOOVER. That is correct. I retired effective 1 August, this year, sir.

Chairman TOWER. General Hoover, we have here your statement. You may read that statement in its entirety if you would like or you may submit it for the record and summarize it.

General HOOVER. I would like to submit my statement for the record and make a few summary remarks.

Chairman TOWER. You may proceed as you see fit.

STATEMENT OF MAJ. GEN. WILLIAM W. HOOVER, NOMINEE FOR ASSISTANT SECRETARY FOR DEFENSE PROGRAMS, U.S. DEPARTMENT OF ENERGY

General HOOVER. Mr. Chairman, members of the committee, thank you for the opportunity to appear before you today as President Reagan's nominee to be Assistant Secretary for Defense Programs in the Department of Energy.

It has been my pleasure to appear before this committee many times over the last almost 5 years during my tenure as Director of Military Application and as Deputy Assistant Secretary for Defense Programs.

As you have already heard, I have had many responsibilities in the program placed on me already, particularly the responsibility for the research, development, testing and production of nuclear weapons.

Professionally my 30-year Air Force career included, in addition to the almost 5 years in the Department of Energy, as you have indicated, tours of Vietnam with command and combat experience and senior staff positions at the Supreme Headquarters Allied Powers Europe and in the Office of the Secretary of the Air Force.

I feel deeply honored by this nomination. There are few comparable civilian positions in our Government which have such broad scope and such critical national security responsibilities. The nuclear materials and weapon production complex ranks with the larger industrial corporations of this Nation in terms of capital value, production capacity and employment.

OVERSIGHT OF SAFEGUARDS AND SECURITY FUNCTIONS

I would like to emphasize at the outset that I believe that we have an obligation to the American public to ensure that our activities in defending American freedom are performed in a way that is safe and secure and environmentally acceptable.

The Secretary of Energy and I have discussed ways in which oversight of these functions can be strengthened. To this end, I plan to institute organizational changes to provide me with independent evaluation of the defense program and environmental, safety and safeguard and security systems.

INTERFACE WITH THE DOD

I am very aware that a particular concern to this committee is the Department of Energy interface with the Department of Defense regarding budget and costs for weapon systems.

In implementing the recommendations of the so-called Starbird study of 1980, we have been working closely with the Department of Defense on new measures to ensure that warhead costs are fully considered in our deliberations and support the desire of this committee to further examine current procedures used in this Department so as to improve coordination and to enhance cost-effective improvements and to further consider certain funding responsibilities.

There has always been strong congressional support and interest in the Department of Energy's defense programs. You may be certain I will continue to provide Congress with full justification for the resources we need to meet the requirements approved by the President.

It is also my intent to keep the Congress fully and currently informed on all aspects of our program.

I am especially honored and pleased to be nominated as Assistant Secretary and I thank you for this opportunity to appear before you to assist in your deliberations.

Thank you.

[The prepared statement of General Hoover follows:]

PREPARED STATEMENT OF WILLIAM W. HOOVER

Mr. Chairman and members of the committee, thank you for the opportunity to appear before you today as President Reagan's nominee to be Assistant Secretary for Defense Programs in the Department of Energy.

As Director of Military Application and Deputy Assistant Secretary, it has been my pleasure to appear before this committee many times over the last four years. During this period, I have been responsible for many of the Defense Programs activities on a day-to-day basis. Among these are research, development and testing; weapons production; and planning and liaison functions. These latter functions involve the Department of Defense and the National Security Council, the United Kingdom through our unique relationship under the Mutual Defense Agreement, and the state governments and local communities where our facilities are located.

Professionally, my 30-year Air Force career included, in addition to four years as head of the Department of Energy's nuclear weapons program, combat service in the Republic of Vietnam, staff positions at the Supreme Headquarters Allied Powers Europe (SHAPE) in Eastern Belgium and the Office of the Secretary of the Air Force. Also, I have supervised research and development activities in the Air Force Space Systems Division and, before coming to the Department of Energy, served as commanding officer in the Lowry Technical Training Center. Academically, I have a Master of Science Degree in aeronautical engineering. I believe my professional experience provides me with a solid foundation for performing the duties of Assistant Secretary for Defense Programs.

I feel deeply honored by this nomination. There are few comparable civilian positions in our Government that have such broad scope and such critical national security responsibilities. For example, the research and development capabilities of our national nuclear weapons laboratories far exceed the total scientific and technical capabilities of all but a handful of nations. The nuclear materials and weapons production complex ranks with the larger industrial firms in terms of capital value, production capacity, and employment. The product, the payload of the Nation's strategic and tactical nuclear deterrent delivery systems, is unique, as are the attendant safety, security, and public accountability responsibilities.

In all of our endeavors, especially those associated with nuclear materials and weapons, we have an obligation to the public to ensure that our activities to defend American's freedom are performed in a way that is safe, secure, and environmentally acceptable. As you may be aware, these areas are subject to internal inspections as well as regular review and analysis by the Department of Energy's Inspector General's office and the General Accounting Office. More, however, needs to be done to assure that our program is carried out consistent with the best environmental, safety and safeguards and security practices. The Secretary and I have discussed ways in which oversight of these functions can be strengthened. To this end, I plan to institute organizational changes to provide me with an independent evaluation of the Defense Programs environmental, safety and safeguards and security systems. I will task this office to evaluate the effectiveness of our current efforts in these areas and the improvements now planned. This independent assessment organization will report directly to me and not through the line management responsible for the systems themselves. I, in turn, will have the responsibility of keeping the Secretary and the Congress fully and currently informed of significant problems and opportunities; the proposed organizational changes will improve my ability to do so in these critical areas. Let me assure you that all concerns of the Congress will be fully considered in carrying out the Defense Programs mission.

It has been a privilege to be a part of the Department of Energy's nuclear weapons program during a period of significant improvement in the research, development, and test facilities and in the Department's capacity to design, produce, and certify weapons. Although much remains to be accomplished, clearly, the weapons complex is now stronger and more productive than before this effort began three years ago. Many have contributed significantly to this progress but none more so than the Congress, especially the Members of this Committee. This revitalization and restoration effort must continue, and to do so will require the continued strong support of the Congress.

There are many people and organizations outside the Department of Energy who play vital roles in the Nation's ability to maintain an effective nuclear deterrent capability. The Assistant Secretary for Defense Programs must interact with all of these, most notably Members of Congress and its Committees, the White House through the National Security Council, the armed services through the Military Liaison Committee, the intelligence community, law enforcement agencies, and certain allied nations. If confirmed, I intend to pursue these interactions vigorously to assure the effective management and success of Defense Programs at the Department of Energy.

I am very aware that a particular concern to this Committee is the Department of Energy interface with the Department of Defense regarding budget and costs for weapons systems. In implementing the recommendation of the so called "Starbird Study" in 1980, we have been working closely with Defense on new measures to ensure that warhead costs are fully considered in their deliberations. The fruits of these measures have not yet been fully realized, since they came after decisions were made on systems now in engineering development and production. We recognize and support the desire of this Committee to further examine current procedures used by the Department so as to improve coordination, and to enhance cost effective improvements and to further consider certain funding responsibilities.

There clearly is a need for international agreements to effectively control nuclear weapons and reduce the need for them. Such agreements, of course, must provide for compliance verification by the signatories. One of the responsibilities of the Assistant Secretary for Defense Programs is to provide technical advice in support of this objective. Research on verification techniques is a part of our effort. Also, we are developing and building numerous safety features into the weapons to prevent their unauthorized use or accidental detonation. This, too, is a form of arms control in that it prevents the inadvertent use of American nuclear weapons, thus, lessening the chances of a nuclear exchange by mistake of terrorist act. However, until verifiable treaties are in place, I believe the United States current strategy of nuclear deterrence is essential.

We are also responding to the President's challenge to determine whether it eventually may be possible to shift military deterrence from offensive forces to primarily defensive forces. The scientific and technical capabilities of the national weapons laboratories will play a large role in demonstrating the feasibility of this concept. With the Department of Defense, we are determining the working relationship which best match the Department of Energy's capabilities to the needs posed by this mission.

I am personally committed to continued progress toward a fully effective national deterrent posture. I am committed to and share the President's goals and would be proud to continue to serve the Nation at this higher level of responsibility for which the President has nominated me. There has always been strong congressional support and interest in the Department of Energy's Defense Programs. After confirmation as Assistant Secretary, I pledge to devote my energies to that office to warrant your continued support. You may be certain that I will continue to provide the Congress with full justification for the resources we need to meet the requirements approved by the President. It is also my intent to keep the Congress fully and currently informed on all aspects of our program. Let me add that I value the advice and insight many Members of Congress have given me in the past and look forward to continuing to work closely together in the future.

I am especially honored and pleased to be nominated as Assistant Secretary for Defense Programs. Thank you for the opportunity to appear before this Committee to assist you in your deliberations. I would be pleased to respond to any questions you may have.

Chairman TOWER. Thank you, General Hoover.

Before we go to questions, let me yield to the distinguished ranking member of this committee, Senator Nunn, for any comment he may have.

Senator NUNN. Thank you, Mr. Chairman.

I will just summarize my opening statement here and ask that the rest of it be put in the record.

I have had an opportunity to review General Hoover's impressive military record. I am pleased to join in welcoming General Hoover and his family to the committee this morning.

First, I would like to call attention to the issue of whether the Safeguards and Security Program for our nuclear weapons is adequate. Almost daily the media reports another terrorist incident of some type. We all know the political and potential world consequences that would result should a terrorist acquire a nuclear weapon.

In this regard, there have been a number of concerns expressed about the adequacy of the Safeguards and Security Program for nuclear weapons production and testing. I know that the Department of Energy has devoted a great deal of time and energ yto this subject in the last few years, but some concern still remains.

Chairman Tower and I received a letter from Congressman John Dingell, chairman of the House Committee on Energy and Commerce, raising several specific concerns about the adequacy of the Safeguards and Security Program and about General Hoover's role in that program.

Upon receipt of Chairman Dingell's letter, the staff of this committee began a careful review of the issue. First, the committee asked the Congressional Research Service to review and summarize relevant public and congressional material on this issue.

Second, the committee staff met on several occasions with Chairman Dingell's staff and reviewed documents provided by Chairman Dingell's staff.

Third, the staff interviewed General Hoover and other Department of Energy officials.

The committee staff received complete cooperation from Chairman Dingell and his staff and General Hoover and other officials of the Department of Energy.

On the basis of this preliminary review, I have concluded that Chairman Dingell and his staff should be given credit for identifying a number of shortcomings in this vital area.

The Department of Energy acknowledges there have been shortcomings and that the Department has taken steps to consider these deficiencies, but there are still things that need to be done and questions that need to be asked and I will be going into several of those this morning and I am sure other members of the committee will also.

In addition to the concern about the Safeguards and Security Systems, I am troubled by the growing enormous cost of nuclear weapons.

I am also concerned about the coordination between the Departments of Energy and Defense and whether it is really all that it should be. It is perhaps inevitable that coordination problems will arise, given that the Nuclear Weapons Program is really split between the two Departments.

I intend to go into this with General Hoover and I welcome the opportunity to pursue this this morning.

Thank you, Mr. Chairman.

I ask that my prepared statement be put in the record.

[The prepared statement of Senator Nunn follows:]

PREPARED STATEMENT OF SENATOR SAM NUNN

This morning the committee takes up the nomination of General William W. Hoover to be the Assistant Secretary of Energy for Defense Programs. This extremely important position is responsible for the research, development, testing and production of all of this country's nuclear weapons.

I have had the opportunity to review General Hoover's impressive military record and I am pleased to join in welcoming General Hoover and his family to the committee.

At the outset of this morning's hearing I would like to call attention to the issue of whether the Safeguards and Security Program for our nuclear weapons is adequate. Almost daily the media reports another terrorist incident and we all know the potential consequences that would result should a terrorist acquire a nuclear weapon.

In this regard, there have been a number of concerns expressed about the adequacy of the Safeguards and Security Program for nuclear weapons production and testing. I know that the Department of Energy has devoted a great deal of time and effort to this subject over the last few years, but some concerns still remain. Chairman Tower and I have received a letter from Congressman John D. Dingell, chairman of the House Committee on Energy and Commerce raising several specific concerns about the adequacy of the Safeguards and Security Program and General Hoover's role in the program. Upon receipt of Chairman Dingell's letter, the staff of this committee began a careful review of the issues. First, the committee asked the Congressional Research Service to review and summarize relevant public and congressional material on this issue. Second, the committee staff met on several occasions with Chairman Dingell's staff and reviewed documents provided by Chairman's Dingell's staff. Third, the staff interviewed General Hoover and other Department of Energy officials.

The committee staff received complete cooperation from Chairman Dingell and his staff and from General Hoover and other officials of the Department of Energy.

On the basis of this review, I have concluded that Chairman Dingell and his staff should be given much credit for identifying a number of shortcomings in this vital area. The Department of Energy acknowledges that there have been shortcomings and has taken steps to correct these deficiencies. But there are still things that need to be done. I intend to ask General Hoover a number of questions about these issues this morning.

In addition to concerns about the safeguards and security system, I am troubled by the growing enormous cost of nuclear weapons. Moreover, the coordination between the fact the Departments of Energy and Defense is not always what it ought to be. It is perhaps inevitable that poor coordination would sometimes be a problem given the fact that the nuclear weapons function is split between two departments. Again, I intend to ask General Hoover some questions about cost and coordination problems and what he intends to do to help solve these problems.

Chairman TOWER. I might note for your information that I have also put in the record Chairman Dingell's letter and General Hoover's response to this letter

Senator NUNN. Thank you.

PRIOR INVOLVEMENT IN SAFEGUARDS AND SECURITY ISSUES

Chairman TOWER. To follow on what Senator Nunn has alluded to, this is my first question this morning.

What involvement have you had in your prior position as Director of DOE's Office of Military Application and as Deputy Assistant Secretary for Military Application in regard to the security and safeguard questions at nuclear weapons plants?

Before you answer this, I will have a series of questions on this subject, General Hoover. If you feel any of them require an answer that deals with sensitive or classified material, if you would so indicate, we will withhold answers to those questions until we go into closed session.

General HOOVER. Yes, sir. I would hope that I can respond to all the questions in an unclassified manner. I think it is important.

Chairman TOWER. We would like to spread as much on the public record as possible.

General HOOVER. That would be my desire as well, sir.

In responding to that question, I would like to almost make an omnibus statement, if I may.

Let me say straight out that assuring that our nuclear weapons and the nuclear material and the facilities required for their production are secure is of paramount importance to me and to the Department of Energy.

In my judgment, I have not allowed nuclear devices to remain in a situation of any unacceptable risk.

Chairman TOWER. What is your involvement in the Security and Safeguards Program?

General HOOVER. I have programmatic responsibilities, as the Director of Military Application, for safeguards and security. That primarily includes responsibilities to fund the security of construction projects at the weapons production plants, at the Nevada test site and the national laboratories.

I share what I would say is a collateral responsibility in terms of the judgment required to determine what the vulnerabilities are and what the response to those vulnerabilities should be.

THE MOST SERIOUS SAFEGUARDS AND SECURITY PROBLEMS

Chairman TOWER. What do you see as the most serious weapons security and safeguard problems facing this country?

General HOOVER. I believe we have instituted a systematic approach to that question, sir. Until January 1983, there was not an agreed upon threat against which we could assess what our vulnerabilities were. To this day, there is not a known terrorist group that has created a nuclear terrorist incident as its purpose that we are aware of.

Therefore, we issued what we have called a generic threat upon which to assess our vulnerabilities. We have done that. We have assessed our vulnerabilities. We have funded a program to correct those vulnerabilities and we have an inspection and evaluation program that then tests those vulnerabilities and addresses again the deficiencies that we find.

I believe that it would be difficult to say that there is a single most serious deficiency. There are a number of vulnerabilities which I believe we are making some very vigorous attempts to correct. We have improved the status, the training, the motivation of our guard forces at our various sites.

We have improved the physical security at our various sites and while there are many potential problems we are continuing to correct, I believe that we do provide a level of security such that it deters any potential terrorist from attempting to make an overt attempt to steal or get access to a nuclear weapon or nuclear material.

POTENTIAL THREATS

Chairman TOWER. Can you give us any more detail about what possible threat there might be? You said that you are not aware of any terrorist group that has as an objective the acquisition of nuclear weapons or nuclear materials.

Can you outline what you see as a possible threat?

I don't know if you want to do that in open session or not, but if you can.

General HOOVER. I will attempt to do that.

Certainly while we have not been able to identify a known terrorist threat, I think all of us in our gut, particularly since the unfortunate circumstances of the Beirut massacre, are concerned that it obviously could happen.

As I indicated, we have promulgated a generic threat which we believe is a very severe threat. It addresses both the potential of outside adversaries, heavily armed, and the potential for any insider participation.

We believe, quite frankly, that the threat, although it be a theoretical threat, is based on our best assessment of the kind of capabilities that terrorist groups are known to have throughout the world.

We believe that that threat is a severe threat that we have laid before us and, quite frankly, it is the most severe threat that I am aware of that any agency in this country or any other nation safeguards against.

ACTIONS TAKEN TO RESOLVE SAFEGUARDS AND SECURITY PROBLEMS

Chairman TOWER. Can you give us a little more detail about what actions you have taken to resolve the security and safeguards problems?

You mentioned that you have increased funding and tried to improve training and motivation and all that sort of thing.

Can you be any more specific on that?

General HOOVER. Yes, sir. I will get back to the funding since that seems to bear some measure of merit.

Since I have been in the Department, since late 1979, the funding for the safeguards and security budget has almost quadrupled to a level approaching $600 million. We have, as I have said, taken many actions to improve the training and motivation of our guard forces.

I personally, particularly in the last 1½ years, have visited most, if not all, of our critical facilities, even those that were not under my cognizance as Director of Military Application, and personally viewed the security aspects.

I have recommended, and the Secretary of Energy has accepted, that we establish a single focal point within Defense programs and the Department of Energy to address safeguard and security matters.

In my opinion, there has been some fragmentation of responsibility in the past. I have recommended that there be a single focal point and that is the Office of Safeguards and Security. That recommendation has already been accepted and is in place.

I am recommending, if I am confirmed as Assistant Secretary, that the inspection and evaluation function, which is now currently embodied in the Office of Safeguards and Security, be pulled out so that

it will report directly to me. I believe it is important that I have an independent inspection and evaluation function that will be separated from those who are primarily responsible for implementing and operating the safeguards and security system.

There are a number of other actions such as assuring that we have immediate fixes and responses to deficiencies as they are discovered in any inspection and evaluation. By "immediate," I mean right on the spot with a 24-hour message to me indicating what they have done to correct the specific deficiencies that we have determined even though that may be an interim fix until we can get long-term funding or whatever may be required.

LOS ALAMOS

Chairman TOWER. A question has been raised about the Los Alamos facility and your involvement.

I would like you to comment on any alleged security lapses at Los Alamos and what has been done to correct them and, further, to comment on Jack Anderson's article of July 2 of this year in which he indicates that terrorists penetrated Los Almos' sensitive areas in a mock attack; if they had been real, perhaps a nuclear device would have been stolen.

Will you comment on that?

General HOOVER. Yes, sir. As I said before, in my judgment, I did not allow nuclear test assembly devices in a situation with unacceptable risk. I think that is the comment made with regard to Los Alamos.

I have participated in the judgment as to the known or potential risks associated with Los Alamos since the assessment first became known to me in 1980. It was clear that the first problems that had to be corrected in Los Alamos in 1980 was the guard force.

We had a situation where we had a Federal guard force and we were not being allowed to increase the manning of that force and, in fact, the manning was being reduced because there was a strong interest in converting Federal guard forces to contractor guard forces.

We went through the process of the A–76 study and were able to switch over the Federal guard force which, as I said, had dropped to what we felt were really levels of manning which were of concern. We have made that conversion to a civilian guard force.

The manning has been more than doubled. We have trained and motivated that guard force to where we think that that addresses the major security problems that existed in Los Alamos in 1980.

There were also other security concerns brought to our attention such as certain facilities at the Los Alamos site needed to be brought up to a more secure situation. We implemented a number of actions. I think they would extend to some six pages of single-line items of things we have done at Los Alamos to improve security, some as minor as adding armored vehicles and increasing the kind of weapons that the guards have, but some as major as a state-of-the-art site-wide alarm system.

We thought we were making the kind of security upgrade that would be sufficient to address the threat that we later were to promulgate.

We did a number of other things at the specific site in question. We put a double fence around the site. We added a number of hardened guard posts to the site.

Nonetheless, when the most recent inspection and evaluation concluded that that particular facility at the Los Alamos site had still not been brought up to a standard that was acceptable from our view in terms of its vulnerabilities, I immediately, the day following that inspection, went to Los Alamos and participated with the Albuquerque operations manager and laboratory director in a decision to close down that function and transfer it to the Nevada test site.

Chairman TOWER. My time is up.

Senator Nunn?

LOS ALAMOS TEST DEVICE ASSEMBLY FACILITY

Senator NUNN. Pursuing that line of questioning, when you say "closed down that facility," what do you mean by "that facility"?

General HOOVER. Specifically, the facility designated as TA–16. It is the nuclear test assembly site at Los Alamos.

Senator NUNN. You closed it down and transferred the whole function, all of it, to Nevada?

General HOOVER. To Nevada. That was possible in part because we had been upgrading the security at Nevada as well and by this time period the security at Nevada had been expanded to the point where it could in fact receive this additional workload function from Los Alamos.

Senator NUNN. What is that workload function? Can you describe generally what that is?

General HOOVER. Basically, it is the assembly of the underground nuclear test devices; those devices which either are experimental devices that we are testing for potential future nuclear weapons or physics experiments; at any rate, underground test devices that have been assembled at the Los Alamos site by the scientists and engineers on the site and transported by secure trailer, tractor trailer, to the Nevada test site where they were put underground and ultimately detonated.

Senator NUNN. You transferred the whole thing nearer to where they will be detonated?

General HOOVER. Yes. That is not, however, without some considerable cost.

One of the reasons that earlier in 1980, for example, we felt that the cost to transfer was not justified. Based upon the risk, it was our opinion that to further upgrade the security of that particular assembly facility to a level which we thought would eventually be able to counter the threat that we had postulated would be more expensive to the American taxpayer than moving the function to Nevada.

Senator NUNN. What was it that made Los Alamos unable to come up with the kind of safeguards that you felt were necessary?

Was it a matter of the physical arrangement, the location, the physical geography of the area, or was it a matter of management not being able to implement safeguards?

Why did you decide it had to be switched to Nevada?

General HOOVER. I think at that particular site that the geography is such that it is very difficult to upgrade it to a point that we thought it would be totally secure as contrasted to other sites where we have had deficiencies where we believe that physical measures or changes in the way the guard responds would be sufficient.

But that particular site, we believed, was primarily endemic to the geographical situation and was such that it was more cost effective to move it to Nevada.

CURRENT RESPONSIBILITY FOR SAFEGUARDS AND SECURITY MATTERS

Senator NUNN. Could you describe for us your present position and how much jurisdiction you have over nuclear safeguards?

Are you the primary person responsible for safeguarding nuclear materials in your present position?

General HOOVER. No, sir. The responsibility for the Safeguards and Security Program within the Department of Energy starts with the operations manager in the field. He is responsible for the day-to-day safeguards and security operations. He is responsible for making recommendations for major construction programs.

Those recommendations are made on the basis of inspections that are provided today by the Office of Safeguards and Security, the inspection and evaluation teams. The Office of Safeguards and Security puts out the threat guidance, the policy.

As a programmatic official, I have been responsible to ensure that in fact adequate funding has been provided and that in my estimation the field manager is responding adequately to the policy.

Senator NUNN. What will be your responsibility in this vein in your new position as compared to your current position?

General HOOVER. As Assistant Secretary, and with the organizational changes that I have said that I have recommended to the Secretary of Energy, I think it is clearly my responsibility as Assistant Secretary for all aspects of safeguards and security.

The buck stops here, sir.

Senator NUNN. Your new position will have more responsibility in a direct line than your old position?

General HOOVER. In my opinion, yes, sir.

Senator NUNN. Your old position was primarily making sure funding was available if the requests were made to upgrade the safety procedures?

General HOOVER. Yes, sir.

SECURITY ASSESSMENT AT LOS ALAMOS

Senator NUNN. Can you tell us what the results were of the 1984 test of security arrangements at Los Alamos?

I guess you referred to one aspect of it.

Was that the 1984 test that revealed the problem that caused you to move?

General HOOVER. Yes, sir.

Senator NUNN. What other shortcomings were revealed?

General HOOVER. There were vulnerabilities at some of the other facilities at the test site which we have taken steps to correct. We have added a variety of protection measures in response to recommendations or vulnerabilities identified by the inspection team.

They include such things as helicopter denial systems that will physically preclude helicopters from being able to land in areas either on or adjacent to critical sites that, for example, may have nuclear material stored.

That would be another area function of concern; that there is nuclear material at Los Alamos which scientists require for their research and development activities.

Senator NUNN. Were there any of these vulnerabilities that were brought about by negligence?

General HOOVER. In my opinion, it was not negligence, sir. We responded to previous vulnerability assessments with measures that we believed would bring the security up to an acceptable level.

RESULTS OF THE LOS ALAMOS SECURITY ASSESSMENT

Senator NUNN. Has anybody been admonished? Has anybody been reprimanded for any security lapses relating to that study? Any individual?

General HOOVER. No, sir, not in the sense of a reprimand.

Senator NUNN. In what sense would there have been?

General HOOVER. Obviously we have met with the responsible officials. We have communicated that the priority should be given to security. We have, I believe, full appreciation from corporate management starting with the laboratory management to the Department of Energy officials, that safeguards and security are of paramount importance.

Senator NUNN. Have you ever been reprimanded, admonished, or criticized as being negligent in any safeguards vulnerabilities that have been discovered?

General HOOVER. No, sir.

Senator NUNN. No one has ever made that charge in the executive branch?

General HOOVER. No, sir.

PAST ACTIONS REGARDING FUNDING FOR SAFEGUARDS AND SECURITY

Senator NUNN. Have you had a request for additional safeguards that have come to you in your present job that have been turned down for lack of funding or are there things that people below you have said were needed that you have vetoed?

General HOOVER. There have been proposals which we have not fully funded, that we have asked for additional data on.

As I indicated, the funding has more than quadrupled in the last 4 years. I think we do have a responsibility to ensure that all of the proposals are adequately and conceptually designed and the costs are understood.

We have funded the bulk of the requests that have come from the field. I am not aware at this moment that there is any disagreement that something that is critical should be funded. We have supported everything.

SAVANNAH RIVER PLANT

Senator NUNN. My understanding is that you requested about $65 million in supplemental funds for fiscal 1984 for safeguards and security and about two-thirds of that is for the Savannah River plant.

Is there something unique about that plant that requires that much attention?

Do we have a bigger problem there than at the other sites?

Could you describe the problems in the Savannah River plant?

General HOOVER. First of all, I want it clearly understood that the Savannah River plant is not under my cognizance as the Director of Military Application.

Again, in the 1980 period we became aware of vulnerabilities at the Savannah River plant.

Senator NUNN. That will be under your jurisdiction?

General HOOVER. That will be under my jurisdiction as Assistant Secretary.

The supplemental which you made a comment on, to my knowledge, has not been approved. We are proceeding either by reprogramming or by deferring some of those actions until next year's budget. But we are proceeding with all those actions identified in the supplemental in one way or another.

The Savannah River plant has been upgraded significantly in terms of its guard force. Again, the guard force was a primary concern for the Savannah River plant.

In addition, the corporate commitment by the principal contractor to use of deadly force was a concern. We have transferred the guard responsibilities to a separate contractor force at Savannah River. We have complete assurance that that guard force will take whatever action is necessary to prevent the theft of nuclear material.

In addition, there are a number of physical protection and security activities going on. The most recent inspection of the Savannah River plant has indicated that the security has come up considerably from the earlier time period.

Senator NUNN. Thank you.

Chairman TOWER. Senator Goldwater?

STATEMENT OF SUPPORT FOR GENERAL HOOVER

Senator GOLDWATER. Mr. Chairman, I have no specific questions.

I have known General Hoover for quite some time. I first became acquainted with him as commander of the air base in DaNang. I later knew him when he was executive officer to the Chief of Staff of SHAPE. I have always found him to be a competent officer. The men liked to serve with him.

I have not heard anything that would convince me of any shortcomings he might have had while in New Mexico or any other place connected with the nuclear program.

I have read the very voluminous report from the House. The only thing it reminds me of is an admonition that President Eisenhower once said to me, "If you can't get it on one page, you have not thought about it enough."

I have gone through this and I can't find anything in this whole list of things—obviously done by some subcommittee in the House—that would point to the need for any determination on General Hoover other than his acceptance.

So, Mr. Chairman, I have no questions. I just want to commend the choice. I hope he has no trouble passing this committee.

Chairman TOWER. Senator Bingaman?

ALLEGATIONS REGARDING SECURITY AT LOS ALAMOS

Senator BINGAMAN. Thank you, Mr. Chairman.

Mr. Chairman, before I ask a couple of questions, I have a letter from the director of the Los Alamos National Laboratory, Don Kerr, to President David Gardner at the University of California, discussing some of the issues that are being questioned here.

I would like, if I could, to put that in the record.

Chairman TOWER. It may be placed in the record.

[The letter from Dr. Kerr to Mr. Gardner follows:]

LOS ALAMOS NATIONAL LABORATORY,
Los Alamos, NM, July 6, 1984.

President DAVID P. GARDNER,
University of California, Berkeley, CA.

DEAR DAVID: I am concerned about the recent Jack Anderson articles pertaining to security at Los Alamos. Some of the information in his columns refers to a report of the DOE Investigation and Evaluation (I&E) team. This report is classified and obviously I cannot discuss the committee's findings except in an unclassified manner. I assume Mr. Anderson has not seen the classified report. This could account for the implications in his columns that are misleading. I feel you should be aware of these. You should also know that a separate DOE team conducting our annual security survey at the same time the I&E team was here and found that the Laboratory met or exceeded DOE security standards.

The I&E team spent from the 19th of March to the 29th of March at Los Alamos. They visited all of our sensitive sites and were given extensive briefings on our security (thus gaining firsthand knowledge not available to uncleared personnel.) Following this they conducted a number of actual exercises and added simulated or hypothetical scenarios. It was the hypothetical situations that resulted in the media publicity.

In Anderson's July 2nd article, he indicates the security team "easily penetrated the plant's most sensitive areas in mock attacks." He goes on to say that, "If they had been real terrorists, they could have perhaps stolen plutonium to make a nuclear device or perhaps swiped the device itself." His earlier article referred to penetration of our weapons assembly facility. The uninformed reader would interpret this to mean that the test device assembly facility was actually penetrated. In fact, there was no penetration of the area nor even any actual exercise or mock attack. Instead the I&E team used a hypothetical scenario where all security inspectors stationed at the site and all local response elements were, by fiat, rendered totally ineffective.

Anderson's article implies that no security upgrades have occurred since 1980. This is not the case. Lab-wide upgrades have been ongoing constantly. In particular, the following major security measures have been taken: The 150-man Federal protective force has been changed to a highly trained contract force of over 260 personnel to include a rapid response team; a Lab-wide state-of-the-art alarm system has been installed; security upgrades have been made to the various individual sites; and a modern self-sufficient emergency operations center has been established (a facility the security team indicated was the best they had seen in the weapons complex.)

Anderson states that Congressman Dingell in 1983, "sent subcommittee investigators to check the New Mexico weapons plant." One member of Congressman Dingell's staff, Mr. Stockton, and a consultant, Mr. Dexter, from the Bureau of Alcohol, Tobacco and Firearms, visited the Laboratory for one day in November 1983. In addition to comprehensive briefings on our security, they visited a number of our sensitive areas to include "S" site. Their inspection there amounted to walking around the outside of the facility but within the perimeter fencing. They did not indicate to any member of my staff that they concluded that "S" site was defenseless against attack, as indicated in Anderson's column.

As to the closing of "S' 'site, I know of no directive from the Secretary to do so. After consulting with my staff and Ray Romatowski in Albuquerque, I made the decision to move certain operations from "S" site to Nevada and so informed DOE. My rationale for moving these operations was based on the fact that to

secure the site against every possible hypothetical scenario that one could dream up would cost the taxpayers more money than moving the operations.

During the inspection, none of the actual exercises resulted in an unsatisfactory rating. It was the hypothetical scenarios that have caused all the stir.

Anderson also makes reference to DOE Security Specialist Vance Hudgin's testimony in his June 22nd article. Reading Hudgin's entire testimony, you will find he specifically addresses the protective force capability that existed in 1980. As I indicated, this is one of the major changes in security that we have made.

A separate issue raised in Anderson's July 2nd column is the shipment of "eight cartons of classified documents" to a Rockville, Maryland company. There were no eight cartons of classified documents. Eight cartons of declassified documents containing information relating to the atmospheric testing program were indeed sent to Informatics in Rockville, Maryland. They had been reviewed prior to shipment and some mistakes were made in the declassification of specific documents. Once the mistakes were found by DOE Headquarters personnel from the Office of Classification, the cartons were removed to a cleared area. A damage assessment conducted by DOE's Office of Military Applications concluded that the sensitivity of the historical information was slight.

I hope this information is useful and helps to put Mr. Anderson's columns in the proper perspective.

Sincerely,

DONALD M. KERR, *Director.*

Senator BINGAMAN. General, let me ask a followup question to what Chairman Tower asked you before. It regards this allegation that appeared in one of Jack Anderson's columns. You made a general response to the question. I would like a more specific response if possible.

The allegation in the article that was the DOE inspection and evaluation team which visited Los Alamos in March, and this is a quote from the article, "easily penetrated the plant's most sensitive areas in mock attacks."

I think he went on to indicate, "If they had been real terrorists, they would have perhaps stolen plutonium to make a nuclear device or perhaps swiped the device itself."

Could you state whether in fact there was a DOE inspection and evaluation team that visited the site in March and easily penetrated the plant's most sensitive areas in mock attacks?

General HOOVER. Yes, sir. First of all, certainly there was an inspection and evaluation team from the Department of Energy that visited the site.

We conduct a variety of exercises to test our vulnerabilities. Some of them are in fact mock adversaries outfitted with weapons that have been modified with laser devices so that you get a very real life and death simulated kind of attack.

Other kinds of exercises we do are paper exercises where a hypothetical attack is made and stemming from a particular point, then the guard force is asked to respond.

The particular allegation that mock terrorists were able to penetrate the site in question was, in fact, one of the latter kinds of exercises. It was a paper exercise. The exercise started from the point that the guards at the test assembly areas were considered to have been killed and to have been killed before they could provide any warning.

The response then was not allowed to trigger and the actual responding outside guard force was not allowed to respond until alarm devices indicated that there was somebody in the assembly area.

So, in some respects it was a very severe test, but there was no actual simulated penetration. It was a paper penetration. From that point on, the Los Alamos guard force responded again against a time line which

was believed to be real, but against a time line that had no adversaries actually running the course or on making their escape.

Senator BINGAMAN. So is it fair to say there was no mock attack that penetrated the facility?

General HOOVER. Not in the test assembly facility. There were other mock attacks actually employing adversarial forces at Los Alamos, but they were not successful.

Senator BINGAMAN. As I understand it, you are saying that the paper exercise that possibly is being referred to here assumed that the guard force was incapacitated or killed before any kind of warning could be given?

Is that the assumption that the paper exercise made?

General HOOVER. That was the assumption. Now, in fairness, the local site officials and the inspection and evaluation team do generally agree that such a threat is credible.

Again, as I say, it is hypothetical.

HOUSE ENERGY COMMITTEE REPORT

Senator BINGAMAN. With respect to the report that we have and the various concerns that have come out of the House Energy Committee, do you know the extent of the investigation that the House Energy Committee staff or the Committee itself has done onsite with regard to the Los Alamos facility?

General HOOVER. The staff itself made a 1-day visit to Los Alamos. That is my only awareness of their investigation other than reviewing Department of Energy inspection and evaluation reports.

Senator BINGAMAN. Have any of the members made an onsite inspection, to your knowledge?

General HOOVER. None of the members to my knowledge have made a visit.

Senator BINGAMAN. Mr. Chairman, those are all the questions I have.

I have become acquainted with General Hoover and certainly support his nomination to this position.

Chairman TOWER. Senator Thurmond?

STATEMENT OF SUPPORT FOR GENERAL HOOVER

Senator THURMOND. Thank you, Mr. Chairman.

I am conducting a hearing now over in Judiciary. I just ran by to support the nomination of General Hoover. He is well qualified for this position in DOE and he will fulfill it in an exemplary manner.

Mr. Chairman, you can vote me for his confirmation if I am not here.

Chairman TOWER. Thank you.

Senator Dixon?

LETTER FROM CHAIRMAN DINGELL

Senator DIXON. Thank you, Mr. Chairman.

General Hoover, I have read the letter from Chairman Dingell to Chairman Tower. And I have read your letter of August 3rd. I don't know that I glean from your response an appropriate response to what Chairman Dingell has charged.

I wonder if I might go through a little of this with you?

General HOOVER. Yes, sir.

Senator DIXON. He says on page 3, "Former Assistant Secretary for Defense Programs, Herman E. Roser, misled this Subcommittee," referring to a subcommittee of his committee, I take it—

> in a hearing in September 1982 on the magnitude and seriousness of DOE's safeguard and security programs. Mr. Roser was later forced to retire from Government service. I had hoped that whomever the President selected to replace Mr. Roser would reverse this trend so prevalent in the DOE.
>
> General Hoover had an opportunity to prove his mettle last fall. Much to my disappointment, however, he did not give an accurate portrayal of the Department's serious problems in an appearance before the House Foreign Affairs Committee. His testimony contrasted sharply with the very candid presentation made by the Department of Defense representative.
>
> Later, General Hoover was forced to correct and clarify his testimony before that committee.

Could you elaborate upon that for me and explain what the difference seems to be between you and Chairman Dingell about that particular occurrence?

General HOOVER. I would be very pleased, sir.

The House Foreign Affairs Committee had asked for a briefing. At that time they were considering a resolution that would enjoin the President to enter into negotiations with the Soviet Union so as to preclude any response to a nuclear terrorist incident that might cause confrontation between our two powers.

My staff met with the committee staff. Specifically, I had guidance from the Foreign Affairs staff as to what they wanted to hear. They specifically told me that they were aware of testimony that had already been given before Congressman Dingell and also testimony before the House Armed Services Committee on DOE security concerns.

They said they did not want to get into that area. They basically wanted to know what we did, not how well we did it.

Their concern was also centered around the pending deployment of the intermediate nuclear missile force to Europe, the new Pershing missiles and the ground-launched cruise missiles.

Their principal focus, frankly, was on the Department of Defense rather than the Department of Energy. They specifically wanted to know what security devices were designed into the weapons. They wanted to know how we safeguard our weapons in DOE which we only do at one particular site, the Pantex site. What physical security protection and what guard protection do we provide.

Again, it was a request for more or less what we did, not how well we were doing it. So, I specifically did not bring out any of our vulnerability concerns.

They also wanted to know how would we respond if a nuclear weapon was, in fact, stolen. I briefed them on something called the Nuclear Emergency Search Team which we bring into play in such a situation.

At any rate, I believed I was responding to the desires of the committee.

I believe my colleague from the Department of Defense felt that since the interest in the committee was with the Intermediate Nuclear Force deployment that he should go further and explain some of the security vuinerabilities that might portend for that force when it was deployed.

Therefore, he did get into areas which I had been specifically asked not to get into with regard to the Department of Energy facilities. So, I thought I was doing what I was asked.

In terms of correcting the statement, to ensure that it was clearly understood as to what the purpose of that briefing was—and it was not a hearing, I want to again bring that out, it was strictly a briefing—there were some minor changes made in the testimony to clearly spell out what was the purpose, which I have just described, basically, what we did, not how well we were doing it.

Those were the administrative changes made to the testimony.

Senator DIXON. You added to what you had previously said?

General HOOVER. Added to. I was not called back before the committee. It was simply a correction to the transcript to clearly spell out, as I should have perhaps stated in the beginning, what I had been asked to present to the committee.

Senator DIXON. You consider that to be the extent of what transpired there?

It seems to me that a matter that appears to me to be relatively trivial certainly triggered a fairly long letter from the chairman of the committee in the House.

Do you assert that is the extent of this?

General HOOVER. Yes, sir.

I also should add, there had been hearings before Congressman Dingell a month or two before that and hearings before the House Armed Services Committee on DOE security concerns. I was not a witness in those hearings, incidentally, but since it had all been aired with the House, there would have been no reason for me to try to obviate any vulnerabilities.

DISAGREEMENT WITH CHAIRMAN DINGELL

Senator DIXON. You have never had any personal disagreement with Chairman Dingell?

General HOOVER. I have not had the opportunity to meet with Chairman Dingell. I have only had the opportunity to talk with his staff.

Senator DIXON. One other point here. I notice you brought it up in your testimony, I suppose to some extent in response to what the chairman says here. He says in the next paragraph, "Now, I understand that General Hoover's answer to the safeguards and security problem is to establish an independent special program reporting directly to him"—that is to you.

"The Subcommittee"—I presume he means his—"has devoted considerable time studying the entire gambit of inspections, evaluation and assessments at the DOE.

"We have concluded the most effective arrangement is a two-tier program—inspection capability that permits the Office of Safeguards and Security to exercise its required oversight of field office and contractor programs and an evaluation program independent of OSS and defense program organization, which would ensure that the entire management structure for Safeguards and Security is working as it should.

"General Hoover's action would deprive the OSS of a valid tool," and so forth.

What do you say to that?

Obviously there is disagreement here between you and the chairman. I take it on the position you have now taken that there should be direct reporting to you on this question?

General HOOVER. Yes, sir, the disagreement is not only with me; it is with the Secretary of Energy who has considered Congressman Dingell's suggestion to establish an independent inspection and evaluation office reporting directly to him, the Secretary of Energy, and has concluded that he believes that can be properly handled as a function of the Inspector General within the Department of Energy. The Secretary of Energy did establish a special assistant who would look at the problem on an ad hoc basis and after it had been examined for a period of time, then that ad hoc function would go away again.

Senator DIXON. I must admit that I don't have any recollection of any congressional debate concerning this, at least on the Senate side.

Has this been a subject of congressional debate, the question of which way you ought to go on this question?

General HOOVER. No, sir.

Senator DIXON. So you have one policy position and Chairman Dingell has another? That is essentially it?

General HOOVER. That is right. When I recommended and we established a single focal point for safeguards and security, I then wanted to make sure we did not have a situation where we have the fox watching the chicken coop.

The inspection and evaluation function currently resides in that office we have established as the focal point. I felt it then prudent to pull that function up and have it report directly to me.

I intend to use outside consultants, et cetera, to embellish that inspection function. I do believe the Office of Safeguards and Security in performing its oversight functions will continue to have a need to have certain responsibilities in terms of their oversight functions. I am encouraging them to do that.

Senator DIXON. Do I have time to pursue one more question here, Mr. Chairman?

Chairman TOWER. Yes.

Senator DIXON. You testified about this question of the guard force, and so forth. In fact, your letter states to Chairman Tower that the Federal guard force at Los Alamos National Laboratory was converted to a contractor guard force.

May I ask who the present contractor is?

General HOOVER. Mason & Hanger. Well, the University of California is the overall contractor for Los Alamos, but the guard force is Mason & Hanger.

COMPARISON OF CONTRACTOR GUARD FORCE TO FEDERAL GUARD FORCE

Senator DIXON. Is it your opinion that that is better than a Federal guard force and, if so, why would it be better?

General HOOVER. There had been considerable debate and I think a case certainly can be made that the guard force can be either. Obviously it can be demonstrated, it has been demonstrated, that contractor guard forces can be very effective with the proper training and motivation and those kinds of things.

We believe that we have been able to hire into our contractor guard forces some of the best people coming out of the elite military forces, the delta force, for example, some people coming out of the elite SWAT teams from around the country.

We believe because of the emphasis that we are now giving to safeguards and security, that in fact we can hire very capable people into our guard force. We can give them the kind of training that will, I think, put them in a position, because they are dedicated to a specific facility, to be second to none in terms of guard forces.

Senator DIXON. This is arranged by a contract with a private source essentially?

General HOOVER. Yes.

Senator DIXON. These people, if I understand your testimony correctly, are essentially people that have had prior service, who are exceptional in their qualifications?

They go into this independent contracting arrangement with you. There is a profit obviously involved with the contractor and I presume even a better salary arrangement in the service for the participants who are excellent people with special expertise, I take it sharpshooters and others who are exceptional in their qualifications?

General HOOVER. Yes, sir.

SECURITY CLEARANCE FOR A CONTRACTOR GUARD FORCE

Senator DIXON. I don't want to belabor it today, but I would question whether I would like that arrangement better than developing an in-service arrangement, but that is a matter for another time.

What about the security questions involved in all of this where you have this separate independent contracting agency?

Who makes those determinations about security?

How do you know that John Doe is in every particular a patriotic American without any questionable background, and so forth?

General HOOVER. They have to go through a rigorous background security investigation.

Senator DIXON. By whom?

General HOOVER. By the Government just as we would for a Federal employee. We are imposing even more stringent requirements in particular on our guard forces that will make them comparable to the additional clearance requirement we put on those who actually handle nuclear material, who have hands on contact with nuclear devices.

In fact, our security forces, our guard forces have a very strict security scrubbing.

DISCIPLINE AND COHESIVENESS IN A CONTRACTOR GUARD

Senator DIXON. Do you believe in the civilian type of arrangement that you are making known to us here that the discipline and the effective cohesiveness of the group is the same as it would be in a service-connected type arrangement?

General HOOVER. I believe I can comment from having been on both sides of the fence.

Senator DIXON. I would like to have that comment.

General HOOVER. I have seen what I consider to be very fine military security forces, very fine Federal security forces, and very fine contractor security forces.

I personally believe with the proper training, motivation, et cetera, getting the right people, any of them can be viable. There are some pros and cons. There are some concerns about the contractors force being able to strike versus the Federal force.

We have not had that problem. We have had some strikes, but we have contingency plans, we have backup forces. Basically strikes have not been a problem. We believe we can keep that force young, viable.

Some of the problems with the Federal force at Los Alamos are that it was getting older and it was very difficult to replace because of the Civil Service protection of the older guards. With a contractor force, I think we have more potential to keep a young, highly trained force.

RESPONSIBILITY FOR THE CONVERSION OF THE FEDERAL GUARD FORCE

Senator DIXON. Who made that determination? Was it you, General?

General HOOVER. No.

Senator DIXON. Was it somebody in the Government?

Are you able to say who made the determination to use a private contracting force?

General HOOVER. I believe as a general policy, the Government wanted to phase out Federal guard forces and give the opportunity to commercial interests to be able to fill that function.

We went through a very rigorous so-called A–76 process to determine the cost-benefit to the Government to do that. That, I would have to say, was a Government policy and it was a policy that was not peculiar to this administration.

Senator DIXON. I don't want to belabor it any further here, but is there some information you could make available to us in writing concerning this whole thing?

It intrigues me as to why we do that.

General HOOVER. I would be very pleased to do that. We would like to do that if we could exclusive to the confirmation process, however, so that it does not slow that up.

Senator DIXON. Absolutely. No problem about that.

General HOOVER. I have a vested interest.

[The information follows:]

During the period from 1976 to 1980, the Federal force at the Los Alamos National Laboratory experienced serious manpower staffing problems as a result of normal attrition and Government-wide efforts to reduce Federal employment. The decrease in the Federal force and increase in terrorist activities prompted the Department's management to undertake a comprehensive study to determine an effective course of remedial action. After extensive review by the management at Albuquerque Operations Office and Headquarters, it was decided that security services at Los Alamos could be provided by either a Federal guard force or a contractor force. The review found that there was nothing inherently superior about a Federal force and that a contractor guard force could provide proper and effective security protection for the Laboratory.

Having made this decision, the Department conducted a cost comparison study in accordance with Office of Management and Budget Circular A–76. (This Circular establishes the policies and procedures to be used in determining whether needed commercial or industrial type work should be done by contract with

private sources or in-house using Government facilities and personnel.) The study clearly indicated that it was considerably more cost effective to perform the security service by contract. Based on this study and with the concurrence of the Office of Management and Budget, the Acting Assistant Secretary for Defense Programs, Robert Morgan, directed the Manager of the Albuquerque Operations Office, Herman Roser, to begin procedures to contract for security services.

Senator DIXON. I thank the Chairman.

REPORTING FROM OPERATIONS OFFICES

Chairman TOWER. General Hoover, should the area operations managers of DOE who now report to the Secretary of Energy report to the Assistant Secretary for Defense Programs with respect to nuclear weapon facilities under their responsibilities?

General HOOVER. I believe that organizational arrangement can be made to work in either case.

When I came into the Department of Energy I believe there was a circumstance where the operations managers reported to the cognizant assistant secretary.

The situation as it exists now in the Department of Energy is not unlike that which I am familiar with in the Air Force where the major field commanders report to the Chief of Staff or the Chairman of the Joint Chiefs, as the case may be, and have certain programmatic reporting responsibilities to the Deputy Chief of Staff level in the Air Force.

That is the way the Department is currently organized and I believe that it can be made a viable function. I have had no problem in terms of being able to promulgate guidance or elicit response from the field managers under the current situation.

Chairman TOWER. Senator Levin has some questions he would like to submit to you for response for the record. So, if you would respond to Senator Levin's questions in writing.

Senator Bingaman?

CORRECTIVE ACTIONS AT LOS ALAMOS

Senator BINGAMAN. I have just one question, Mr. Chairman.

General Hoover, with respect to the hypothetical paper exercise that you and I were discussing before that did indicate that under certain circumstances with the guard force incapacitated there could be a penetration of the facility there in Los Alamos, has the problem there been corrected?

General HOOVER. Yes, sir; although we have not been back to test that again. In our opinion, it has been corrected.

Senator BINGAMAN. When will you be back to test that? Is that scheduled?

General HOOVER. I believe that we will go back early next year, sir.

Senator BINGAMAN. Do you think that the security situation there is adequate, in your opinion, today?

General HOOVER. Yes, sir; in particular since we moved the one function to Nevada.

Senator BINGAMAN. That is all I have, Mr. Chairman.

Chairman TOWER. Senator Nunn, do you have any additional questions?

WEAPONS PRODUCTION PROGRAM COSTS

Senator NUNN. Mr. Chairman, just two or three relating to other areas here.

One of the things, General, I have been concerned about—I don't think it was brought up when I had to go to another meeting for a few minutes—is the very large cost growth in the weapons production program.

For example, the fiscal year 1985 budget for various cruise missile warheads shows a unit cost increase of roughly 20 to 25 percent even though you are going to produce more.

Our experience is the more you produce of something, the less they cost per unit. But in the nuclear weapons program it seems it does not work that way.

Can you give us an explanation of that?

General HOOVER. Yes, sir. I have looked at that concern considerably since we had our authorization hearings.

Part of the problem, quite frankly, is the way we account. I have asked that we really try to sort out what are the costs against which you should be judging the program management, the unit cost of that system against.

We talk about the increased cost we are incurring for safeguards and security. All those costs are folded in as overhead costs. All the costs that we are going to incur to correct or to comply with several environmental problems are folded in.

I have looked at what our constant costs are for direct labor, direct material. If you look at the constant year cost, you will find that the cost of the warheads, themselves, essentially is staying constant and coming down somewhat as we have introduced productivity measures into the system.

B–61 BOMB PRODUCTION COSTS

At the authorization hearing there was another system, the B–61 bomb, which showed even greater cost growth. In that particular instance, from the 1983 cost data that was submitted to the 1984 cost data, we essentially had a change in orders. We had ordered more of those bombs which were being procured in the out years, so they accrued all the escalated costs in that number that the 1983 number didn't include. Originally, we had not decided to go ahead and order more of those weapons in the out years. There was a reasonably significant number.

All of that cost appeared as an increase in unit cost.

I share your concern that we have the kind of control and management that ensures that our weapons costs are being looked at critically. But we have to make sure that we are talking about apples and apples when we look at what are in those costs.

I welcome the opportunity to work with your staff to try to clarify those concerns.

IMPROVEMENT IN COST ACCOUNTABILITY

Senator NUNN. Do you think there are ways we could make the accounting system more positively reflect what has happened?

General HOOVER. Yes, sir. I think we need to see that the productivity measurement is clearly reflective of the management ability. Obviously I think all the additional safeguards and security costs that are put into effect are being charged against that man as overhead and are outside his ability to control.

Those kinds of costs we need to clearly identify as the costs we are going to judge that manager against.

Senator NUNN. I look forward to working with you. Something needs to be done to clarify it, otherwise we have no way of judging or measuring.

General HOOVER. Yes, sir.

B–61 BOMB PRODUCTION RATE

Senator NUNN. The B–61 production rate will increase dramatically. Why is that?

General HOOVER. It was concluded that because of the safety features, the security features, the so-called command control features in the B–61 bomb, particularly for deployment in overseas areas, was such that we would be better off procuring new B–61's for that purpose and phasing out older bombs that are now being used in those areas.

Senator NUNN. A concern that others and I have expressed is that the Department of Defense basically does not pay for these weapons. The Department of Defense basically orders the weapons in terms of the numbers they want.

Is that correct?

General HOOVER. Yes, sir.

TRADEOFFS BETWEEN NUCLEAR AND CONVENTIONAL WEAPONS

Senator NUNN. Why would they have any incentive to measure a tradeoff between short-range nuclear weapons and conventional weapons that are of a more accurate variety?

What incentive does the Department of Defense have under the present structure to do anything other than look at nuclear weapons as a free lunch?

General HOOVER. I understand your concern. Obviously the kind of weapons you are talking about, and I will come back to that in a moment, certainly they have incentives for the other weapons systems, the strategic systems, for example. The warhead costs in a strategic weapon is maybe 10 percent of the cost of the Department of Defense system.

So, obviously they have incentives when they procure those weapon systems.

Senator NUNN. Because 90 percent of it——

General HOOVER. Ninety percent is theirs.

Chairman TOWER. If I can intervene at this point, in fact the DOE systems are funded generally as 050 functions. So, for the purpose of determining what the DOE budget is, that is included in the 050 functions.

Senator NUNN. That is true on the Hill. I don't think it impacts on the executive branch as they go through it.

In terms of how we look at it, we eventually incorporate that.

General HOOVER. To some degree those weapons are not—artillery shells, for example, I think are the ones that really come into question—entirely free.

The Department of Defense has to provide for the security, which is not insignificant. I agree this is an area where certainly the Department of Energy has a very difficult time challenging the requirement.

For example, we only have certain capacity and capability to produce, so we do interact with the Department of Defense closely and try to push the margin to determine where trade-offs should be made.

Quite frankly, as has happened in the last 2 fiscal years, there has been an unspecified cut made in production and surveillance funds of the Department of Energy of about $112 million each year. That has resulted in having to go back to the Department of Defense and saying, "All right, where are we going to take those cuts? What weapon systems are going to be cut?"

Senator NUNN. Is that in the executive budget process or in the Congress?

Where do the cuts occur?

General HOOVER. The funding reduction was made as a result of the congressional reduction of our budget. How we applied that reduction was left up to the executive department.

We went back to the Department of Defense and said, "All right, do you want fewer artillery shells, fewer missile warheads, fewer bombs?"

We had to sort that out and indicate to them where from an optimization of our production, and bear in mind that we do try to run this like a business. That is one thing I said when I came on board, we are going to run this like a business.

And it does make sense in terms of what you have committed to schedule and what you have pre-procured, what systems you are going to impact. We give our view of the world to the Department of Defense and say, "If we are going to make the cuts, here is where we would make it on the basis of optimizing production."

INCENTIVES FOR TRADEOFFS

Senator NUNN. What you have described is the process outside the executive branch that imposes that discipline on you. That was a cut by the Congress.

What I think is missing is any discipline within the executive branch. That doesn't mean that you don't scrutinize, but it does seem to me that almost no business could operate effectively and efficiently unless there was some incentive system in terms of somebody having a reason to make a tradeoff and take a look at the numbers being produced.

It seems to me both the Department of Defense, which doesn't pay for the weapons, and the Department of Energy which has a huge overhead that needs to be absorbed in a larger per unit production and increasing overhead, as you have already testified, both Departments have incentives to produce the largest number of nuclear weapons that they can produce.

It seems to me if there is any reason for them not to, it is missing in the present structure. I don't know why they wouldn't. I am not saying they always do. I am just saying that is where the incentives are.

General HOOVER. I understand your concern. I would hope we are more judicious than just producing to satisfy our overhead rate.

Senator NUNN. So do I. The incentive system is what makes this country tick. I think you have to set up a governmental structure where there is incentive for tradeoffs, accountability, and savings.

What caught my eye is when, on the one hand, we were advocating a huge effort in emerging technology to make conventional weapons more accurate in place of nuclear weapons, at the same time we were ordering a large quantity of the nuclear weapons that we were trying to replace with conventional weapons.

We ask the question, "Who is minding the shop?" The more you get into the structure, the more you find nobody has an incentive to take a look at what we can substitute for the battlefield artillery nuclear weapon.

General HOOVER. What concerns me when we get into some of the negotiations with the Department of Defense is that they are looking at ways to keep the number of weapons up perhaps and one of the things they want to look at right away is the various security and safety features designed into the weapon.

From a personal standpoint and from a taxpayer's standpoint, I am adamant that safety and security are paramount in those weapons. I think there is some danger if you put all of the responsibility in one Department or the other.

Senator NUNN. You are probably correct about that. I am not suggesting what the answer is. I think we are all going to have to do some research into what kind of structure we can come up with that makes sense from an incentive point of view.

It may be that you have managers that at any point in time would not go against the basic incentive system and do what is truly best for the taxpayers, but over a long period of time if you have an incentive set up that leads in a certain direction, I think that is the direction toward which the bureaucracy will move over a long period of time.

I will look forward to working with you in that respect.

Mr. Chairman, those are all the questions I have.

QUESTIONS FOR THE RECORD

Chairman TOWER. General Hoover, I have questions for response in writing for the record on the matter of using helicopters. I will submit those to you for response for the record.

Any further questions, Senator Bingaman?

Senator BINGAMAN. No, Mr. Chairman.

Chairman TOWER. Senator Nunn, if you are agreeable, I thought we might go ahead and cast our votes here in this session and poll the other members of the committee.

Senator NUNN. Mr. Chairman, let me suggest that we give it the rest of the day. There have been a number of allegations made here. I think we have covered some of them in questions, and so forth.

I think it would be wise to wait until the end of the day and give everybody a chance to see if they have any further questions and then perhaps we could poll it out tomorrow.

Chairman TOWER. If we poll it out, any one member could object. We can go ahead and poll it out.

Senator NUNN. I know of no objection on this side. There are some members who could not be here this morning. I would like them to have an opportunity. If we could have that understanding if anyone objects——

Chairman TOWER. If any single member objects, then we will have to reconvene the committee.

Senator NUNN. That is fine.

Chairman TOWER. I will entertain a motion that the nomination be favorably reported and ask that the members be polled. Should any member object to the polling process, we will have to reconvene the committee.

Senator NUNN. I so move.

Chairman TOWER. Any objection?

Senators Goldwater and Thurmond have lodged their proxies with me to vote for General Hoover.

Senator NUNN. I will vote Aye.

Senator BINGAMAN. I vote Aye.

Chairman TOWER. General, that is it.

General HOOVER. Yes, sir; thank you. I appreciate the opportunity.

Senator NUNN. Good luck. It is a big job.

[Questions submitted by Senators of the Senate Armed Services Subcommittee to be answered for the record are as follows:]

QUESTIONS SUBMITTED BY SENATOR JOHN TOWER

HELICOPTER PROCUREMENT

Chairman TOWER. I understand the Department of Energy is in the process of procuring helicopters for use at various sites around the country.

What is the primary purpose to be served by these aircraft?

Outline the overall procurement plan, to include the number of helicopters required at each site and the schedule of milestones in meeting the procurement objective.

General HOOVER. The primary purpose is to provide rapid response to security emergencies by transporting specially trained and equipped Tactical Response Teams (TRT's) to engage and neutralize adversary actions. Other important functions include routine perimeter and site surveillance, surveillance for onsite sensitive (e.g., special nuclear material) transport activities, and airborne command and control for security forces.

Chairman TOWER. Please provide the following cost data:

1. Overall procurement cost, by fiscal year.
2. Unit cost.
3. Spare parts costs in initial procurement.

What contracts have already been entered into within this program?

General HOOVER. Specific information regarding the overall procurement plan, cost data, and contract status for the above-mentioned sites is provided below.

Richland Operations Office/Hanford Site

Helicopter type: Aerospatiale AS350D.

Characteristics: Single engine; will transport 4–5 TRT personnel.

Quantity: Two.

Procurement plan: Request for Proposals (RFP's) received, 6/83; selection made, 7/83; and delivery date, 9/83.

Costa data: Overall cost: $1.13 million/FP 1982; unit cost, $550,000; and spare parts, $27,000.

Contracts: Completed.

Nevada Operations Office/Nevada Test Site

Helicopter type: MBB BO–105.
Characteristics: Twin engine; will transport 5–6 TRT personnel.
Quantity: Two.
Procurement plan: RFP's received, 08/83; selection made, 09/83; delivery date, 01/84 (1st unit), and 10/85 [1] (2nd unit).
Cost data: Overall cost, $1.1 million (1st unit) FY 1984, $1.3 million (2nd unit) FY 1986; unit cost, same as above; and spare parts, none.[2]
Contracts: Contract for second helicopter currently being negotiated.

Idaho Operations Office/Idaho National Engineering Laboratory Site

Helicopter type: Bell 222.
Characteristics: Twin engine; will transport 8 TRT personnel.
Quantity: Two.
Procurement plan: RFP's received, 3/84; selection made, 6/84; delivery date, 9/84 (1st unit, and 10/84 (2nd unit).
Cost data: Overall cost. $2.8 million/FY 1984; unit cost, $1.37 million; and spare parts, $55,000.
Contracts: All procurement contracts are completed.

Savannah River Operations Office/Savannah River Plant

Helicopter type: To be determined (TBD).
Characteristics: Twin engine; capable of transporting 7 TRT personnel.
Quantity: Two.
Procurement plan: RFP's received, 7/84; selection to be made, 8/84; and delivery date, 1/85.
Cost data: Overall cost, TBD; unit cost, TBD; and spare parts, TBD.
Contracts: No contracts have been entered into at this time.

Chairman TOWER. Does the Department plan to meet this requirement by procuring helicopters of the same type for purposes of standardization?

If so, outline the advantages of this plan.

If not, please provide a justification of the basis for procuring helicopters of differing types.

General HOOVER. In January 1983, the Department issued a classified policy statement on potential adversarial threats to Departmental facilities. The statement provided a comprehensive threat definition that established a baseline for the development and implementation of effective protection systems. Based on the threat definition, each site completed in 1983, a systematic reassessment of its protection requirements. This review critically examined each facility to identify existing vulnerabilities and appropriate corrective actions. The review resulted in the development of comprehensive, site-specific S&S master and site plans. These plans identified the use of or the need for helicopters at four major Departmental sites: the Hanford Site, Richland, Washington; the Nevada Test Site (NTS), Las Vegas, Nevada; the Idaho National Engineering Laboratory (INEL) Site, Idaho Falls, Idaho; and the Savannah River Plant (SRP), Aiken, South Carolina. (Two of these sites, Hanford and Nevada Test Site, had already planned to acquire helicopters.)

Each of the sites initiated its own actions at different times to acquire helicopters and thus, the helicopters were purchased on a sequential basis. In addition, each site also considered several factors during the helicopter selection process. The two major factors were geographic conditions (i.e., terrain, elevation, and climate that directly impact helicopter performance and safety) and the specific security mission to be accomplished. (Although the basic security mission is the same at each of the four sites, the programmatic requirements vary.) With these factors in mind, each DOE site performed its own in-depth study and evaluation of the type of helicopter that would best meet its needs. While the sequential procurement process and individual site requirements worked to negate a standard choice, the Nevada Operations Office did achieve standardization in helicopters by purchasing the same make and model as the four helicopters currently used to support the Nuclear Emergency Search Team.

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[1] NV, under a lease/purchase agreement with MBB, intends to lease a helicopter in November 1984 through September 1985, and then complete procurement of the aircraft in October 1985, with FY 1986 funds. Seventy percent of the leasing cost will be applied toward final procurement.

[2] NV currently has 4 helicopters of the same make and model for the Nuclear Emergency Search Team with spare parts readily available.

While the Department recognizes there may be advantages in procuring a standard helicopter for use DOE-wide, each site developed specifications to meet its needs considering topography, security mission, and other site-specific requirements. This optimization resulted in selection of different helicopters at each of the sites where selection has been made.

At the present time, the Hanford Site (570 square miles), the NTS (1350 square miles), and INEL (893 square miles) have procured six helicopters (three types) and have integrated them into their overall protection strategies. (Three are onsite and three are to be delivered in the Fall of 1984.) SRP is in the process of making a selection. The Department believes that a minimum of two helicopters are required at each of the four sites to provide backup capabilities and/or redundancy to ensure constant availability of helicopters and personnel during security emergencies.

It should be understood that the majority of the Department's nuclear sites are so small or compact that the use of helicopters is simply not justified; only a few of the Department's sites have the physical characteristics to warrant the use of helicopters for more rapid and reliable response by security forces to security emergencies.

Questions Submitted by Senator Daniel J. Evans

NUCLEAR MATERIAL PRODUCTION FACILITIES

Senator Evans. What steps do you intend to take to improve the reliability of the weapons fabrication complex due to the aging of existing reactors and equipment and requirements created by new production processes?

General Hoover. As you are aware, most of the production complex has been in continuous use for 25 to 30 years. As a result of aging and use, many facilities, systems and components have gradually worn out, deteriorated, or become obsolete, causing a decrease in production capability and efficiency. I plan to propose a new Productivity Retention Project (PRP) in the 1986 budget cycle which is in addition to the ongoing Restoration Program undertaken in 1981. This new project will improve the reliability of our existing reactors and equipment. Also, we are conducting studies to identify other modifications which would be required to accommodate new production processes.

PLUTONIUM AND TRITIUM SUPPLIES

Senator Evans. In light of the dependence on tritium and plutonium supply for nuclear weapons production, do you intend to consider providing redundancy in the production of tritium?

Specifically, should DOE retain the redundancy in its tritium supply which now exists?

General Hoover. We do not have true redundancy in our tritium production capacity today; however, I believe redundancy is an issue which must be prudently addressed. While the four reactors at Savannah River (SR) are each capable of handling a tritium producing charge, they share the same design and, hence, a safety problem in any one reactor would probably be common to all the SR reactors. The N Reactor at Richland does not now handle a tritium producing charge. However, it is capable of producing a limited amount of tritium while producing plutonium and that capability should be retained throughout its useful life. In fact, we have initiated a design effort for tritium target to be used in the N Reactor to retain this inherent redundancy feature.

ADEQUACY OF SAVANNAH RIVER AND RICHLAND REACTORS

Senator Evans. In view of the advancing age of the existing reactors at Savannah River and Richland, are you satisfied with the reliability of material supply from these facilities?

General Hoover. The existing Department of Energy reactors at Savannah River and Richland are operating well at this time. However, because they are aging, we have implemented a Restoration Program to sustain their continuing use. While I expect maintenance costs on these reactors to increase, I am currently satisfied that, barring unforeseen events, a prudent maintenance and upgrade program along with my proposed Productivity Retention Program will assure a reliable supply of nuclear materials until such time as a new production

reactor can be built. In the long term, however, the construction of a new production reactor plant is essential in assuring the long-term supply of the materials necessary to sustain the nuclear weapons stockpile well into the next century.

ELECTRICITY PRODUCTION

Senator EVANS. How important is duality (i.e., electricity production from steam generators attached to the reactor) in DOE's analysis of the cost-effectiveness of the various alternatives under consideration?

General HOOVER. Duality is being treated as an important element in the conduct of analysis regarding our new production reactor initiative. At the present time, NPR tasks address four principal areas: preparation of cost estimates which are reactor concept specific and site specific, development of safety studies, evaluation of required support facilities, and compilation of environmental data. DOE considers it crucial that in developing cost estimates the sale of byproduct steam is taken fully into account. In the final analysis of the data produced by the current studies, we intend to evaluate the desirability of choosing a reactor concept with and without the byproduct capability.

GRAPHITE REACTOR ALTERNATIVE

Senator EVANS. Please explain why the graphite reactor alternative (specifically, the Richland graphite reactor) is not being considered by DOE currently.

General HOOVER. In a previous study conducted in 1982/1983, DOE evaluated the relative merits of various reactor-site combinations for a new materials production facility against a number of specific criteria. In this study, replication of the graphite moderated light water cooled reactor in operation at the Richland Site was considered. As a result of this evaluation and an extensive review of the results, DOE selected three of the more promising candidate concepts—the Heavy Water Reactor; the Pressurized Water Reactor, with a modified core; and the High Temperature Gas Cooled Reactor—for detailed analyses so that information concerning these concepts can be more fully developed. In compliance with the National Environmental Policy Act, DOE will consider all relevant concepts, including a graphite reactor.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

SAFEGUARDS AND SECURITY

Senator LEVIN. General Hoover, as Assistant Secretary of the Department of Energy for Defense Programs, one of your key responsibilities would be to oversee and ensure the adequacy of safeguards and security throughout the Department's nuclear weapons production complex.

I believe that this responsibility is vitally important inasmuch as it significantly impacts on our Nation's security. However, based on information I have received, I am very concerned about the safeguards and security aspects of our nuclear weapons programs, and, in this regard, I would like you to answer a few questions for me.

This matter is of utmost importance, and whoever is appointed to take on the responsibility for the safeguards and security of these facilities must be ready, willing and able to execute his or her duties in this regard as vigorously as is humanly possible.

If you are confirmed, I am sure that you are aware that Congress will no longer tolerate the lack of adequate security at our nuclear production facilities or a lax attitude toward security amongst those officials responsible for ensuring the safety and security of those facilities.

Is it not true that in January of 1980, while you were Director of DOE's Office of Military Application, the Independent Assessment Program Office of DOE issued a report severely critical of the safeguards at the Los Alamos nuclear production facility.

Were you personally advised of the serious safeguards and security inadequacies at Los Alamos?

If so, what action did you take to correct these conditions?

When, finally, were these conditions corrected, and what accounted for the delays?

General HOOVER. Let me say straight out that assuring that our nuclear weapons and material and the facilities required for their production are secure is of

paramount importance to me and the Department of Energy. With this in mind, I have never nor would I knowingly allow a nuclear test assembly device to remain in a situation of unacceptable risk.

The question of how much security is enough is a matter of judgment based largely upon an assessment of vulnerabilities and the real or known potential risk. As the Director of Military Application, I have participated in those judgment calls. The most difficult judgment is what is the real risk.

In hindsight, based on the risk as perceived today versus the perception in 1980, we might have done things differently—even though there has never been an overt attack at any nuclear facilities, nor is there any known organized terrorist group which has an interest in promoting a nuclear terrorist incident.

Nonetheless, that does not square with the feeling that many of us have—especially since the Beirut massacre—that something untoward could happen.

As Director of Military Application, I have had collateral responsibilities to ensure that the weapons complex is protected against any known threat to the security of the nuclear weapons and materials at these facilities. In concert with this responsibility, let me spell out what I did as the Director of Military Application.

When I first came on board, my primary mission was meeting the production schedule and restoring the viability of the weapons complex. The perception of the terrorist threat to nuclear weapon facilities in 1980, both in the administration and the Congress, did not have the heightened awareness that it does today.

Nonetheless, I participated actively in redressing certain security deficiencies at the Los Alamos National Laboratory (LANL) and other sites.

Clearly, at Los Alamos the most pressing need in 1980 was an improved guard force. However, if I were to now list the security upgrades at this facility since that time, it would approximate six pages of single-line items; admittedly, some as minor as adding protective vehicles and increasing weapons, however, others were as major as the installation of a laboratory-wide state-of-the-art alarm system.

In the interim, an awareness of the potential terrorist threat has heightened tremendously and, in response to this increased awareness, the Department initiated specific actions to enhance security at the Los Alamos test device assembly areas.

Given the risk and threat, we believed we were taking sufficient measures. When the recent assessment showed that the site was vulnerable to our current insider threat, I immediately proceeded to LANL the next day and participated in the decision to move the function to the Nevada Test Site (NTS).

In our view, the risk in 1980 did not appear to justify the cost of the taxpayer, which is not incidental, to move to the NTS at this time.

The combination of increased concern regarding the risk and the cost to the taxpayer to further upgrade security which would cost more than moving the device assembly facility influenced our final decision; further, by 1984 security at NTS had been enhanced so as to accommodate the addition of the LANL assembly work.

I would add that in the time period that I was the Director of Military Application, the budget for the Department's safeguards and security activities substantially increased to about $600 million per year.

RECOMMENDED STEPS TO CLARIFY RESPONSIBILITIES FOR SAFEGUARDS AND SECURITY

Further, I have recently recommended steps to clarify responsibilities for safeguards and security by establishing the Office of Safeguards and Security (OSS) as the single focal point for all DOE safeguards and security activities. That recommendation has been approved and implemented with the Director, OSS being so designated.

I have directed that procedures be implemented to require immediate fixes to rectify any unsatisfactory critical deficiency, even if that action is an interim measure until funding or other resources can bring about the long-term fix.

In the last several months, I have visited most of the Department's critical nuclear facilities, even those not under my cognizance as Director of Military Application, and specifically viewed first-hand all major aspects of security.

Overall, I believe I have been responsive to the real risk at hand, not that I have been satisfied that we have corrected deficiencies as rapidly as I would like, not that we do not have more to do.

As we continue to stress our security to determine vulnerabilities, we will undoubtedly have deficiencies to fix. As the Assistant Secretary, I will aggressively pursue solutions to assure the American taxpayer that our nuclear weapon facilities are secure, balanced against the risk, the threat, and the cost.

SECURITY SITUATION AT SAVANNAH RIVER

Senator LEVIN. Was the security situation at Savannah River brought to your attention in late 1980?

If so, what actions did you take or recommend to solve these problems?

I have been told that no meaningful corrective measures were taken until over two years later.

Is this true? What was the reason for such a delay?

General HOOVER. As the Director of Military Application, the Savannah River field office did not come under my direct purview. While I was generally aware of safeguards and security conditions at Savannah River, I did not have any programmatic responsibility in that area except for the tritium facility.

I do believe that the changes I am recommending to the Headquarters safeguards and security structure will improve the ability to focus more precisely on security issues and on the necessary follow-up actions to ensure that safeguards and security vulnerabilities are being corrected in a timely fashion.

In addition, backup tritium reservoir-filling capabilities have been established at the Mound Plant in Ohio.

THEFT OF NUCLEAR EQUIPMENT OR SABOTAGE OF NUCLEAR FACILITY

Senator LEVIN. If these problems had caused a theft of nuclear equipment or the sabotage of a nuclear facility, that could have interfered with your fulfilling your responsibilities as Director of Military Application to build the nuclear weapons needed for U.S. security, correct?

Why didn't you feel compelled to do anything (or more) in view of your responsibility for producing nuclear weapons?

In retrospect should you have pursued solutions to these security problems more aggressively, even if you did not technically have direct oversight and responsibility for safeguards and security?

General HOOVER. A theft of nuclear equipment or the sabotage of a nuclear facility could have a serious effect on the Department's ability to fulfill its mission and that is why I have always strived for a weapon complex resilient enough to continue operations in the event of a major disruption.

Potential problems which might be caused by theft or sabotage of nuclear components or facilities are now routinely addressed as part of the Inspection and Evaluation process.

As I have said before, how much security is enough is a matter of judgment based largely upon assessment of vulnerabilities and the real or known potential risk. Problems of this nature did not actually occur so that interference with the production of nuclear weapons did not occur.

Again, I must emphasize that based on our assessment of the risk in 1984 versus 1980, we might have done things differently even though there has not been an overt attack or any known organized terrorist group promoting a nuclear terrorist incident at any DOE nuclear facility.

I am dedicated to ensuing that the weapons and components are, in fact, protected against the postulated baseline threats for nuclear weapons and materials within the DOE weapons complex.

The DOE has recognized that the nuclear weapons complex has many critical production processes that are essentially "single track," and I have initiated several studies to determine the steps necessary to mitigate the impact on the production complex of such a disruption.

Critical areas, where a disruption could affect the DOE's ability to support our national security responsibilities, are identified and within our budget resources, I have taken actions to assure appropriate supply of critical components to alleviate shortages due to such adverse events.

One example of these actions is the construction of the Kyle tritium facility at the Mound Plant. Another example is the stockpiling of neutron generator components at a facility away from their manufacturing site.

Future budget proposals will include additional measures to assure continuity of production.

Senator LEVIN. If little or nothing was done during the four-year period between the 1980 and 1984 to rectify the problems at Los Alamos, why was one of our Nation's most sensitive nuclear production facilities left almost unprotected and extremely vulnerable to unfriendly or terrorist attack for years?

Was some of the nuclear material at the facility located in such a fashion that it was virtually undefendable?

General HOOVER. As I have stated in my response to question number one, I have never nor would I ever knowingly allow a nuclear test assembly device, component parts, or special nuclear materials to remain in a situation of unacceptable risk.

It should be recognized that the Los Alamos nuclear weapons test device assembly operations were being conducted in an isolated, remote, and relatively inaccessible area of the Los Alamos National Laboratory (LANL) site; these features, coupled with very limited access routes, were considered as positive obstacles against postulated adversaries.

The perception of the terrorist threat to nuclear weapon facilities in 1980, both in the Congress and the administration, did not have the heightened awareness that it does today.

Nonetheless, I participated actively in redressing certain security deficiencies at Los Alamos. Clearly, at this facility the most pressing need in 1980 was an improved guard force.

Since that time and following an A–76 study, the Los Alamos Federal force was replaced by a contractor force. The protective force has more than doubled in size since 1981 with additional growth planned into fiscal year 1985.

In addition, security upgrades at this facility since that time, total some six pages of single-line items; admittedly, some as minor as adding protective vehicles and increasing weapons, however, others were as major as the installation of a laboratory-wide state-of-the-art alarm system.

I believe I have been responsive to the real risk at hand, not that I have been satisfied that we have corrected the numerous deficiencies as rapidly as I would like, nor that we do not have more to do.

I will ensure that every action necessary to provide the highest levels of security possible for Los Alamos will be taken in the most efficient and cost-effective manner possible.

GUARD FORCE EFFECTIVENESS

Senator LEVIN. Why was it not until March of this year, 1984, 4 years after the initial 1980 assessment, that the DOE Inspection and Evaluation team finally ran security and safeguards tests at Los Alamos—finding that the safeguards and security at the facility were so poor that any terrorist group could steal plutonium or a nuclear test device?

General HOOVER. During the intervening period, the capability to test guard force effectiveness was unavailable. Equipment, such as Multiple Integrated Laser Engagement System (MILES) gear, was still in the R&D phase in the early 1980s.

Once it became available, supplies were quite limited, precluding our ability to conduct in-depth reviews at each site on a timely basis. (MILES equipment was limited to a half dozen or so sets of this gear during this time frame.)

Training in the use of this equipment, and relevant scenaric development for tactical training exercise activities at this time was an evolving process.

Overall, the entire development of tactical training technology, to include field testing and equipment production for our protective forces, has been a lengthy process, but time well spent. This component of our effectiveness testing is now on-line and proving to be extremely valuable in improving the capabilities of our protective personnel as continued enhancements are realized.

With regard to specific safeguards and security concerns at the Los Alamos National Laboratory (LANL), it was clear from the 1980 assessment that an inadequate Federal guard force existed there. Corrective actions were initiated after approval of an A–76 study that resulted in converting the Federal guard force to a contractor guard force. This allowed DOE to hire an increased number of guards and the transition to a contractor guard force was completed in 1982.

Although the guard force was brought to full strength, there still was a need for further training of the new guards to improve overall response effectiveness. SWAT training and arrest training were conducted starting in 1982. The SWAT training was part of an overall effort to develop a combative capability at LANL.

LANL SAFEGUARDS CONSTRUCTION PROJECTS

In addition to improving guard force capabilities, two major construction line items were submitted for the fiscal year 1984 budget.

One is a hardened guard headquarters facility more centrally located within the LANL site to improve guard force response. This project is scheduled for completion in fiscal year 1986.

The other line item is a hardened centrally located storage facility to consolidate special nuclear material (SNM) in a location closer to the guard headquarters facility and this project is scheduled for completion in fiscal year 1987.

Near-term actions have also been taken to improve detection systems, barrier locations, hardened vehicles, and tactical force deployment.

During the intervening years, the Headquarters Office of Safeguards and Security (OSS) inspection unit, which at that time was a small-scale compliance oriented team, and safeguards and security personnel from the Albuquerque Operations Office conducted inspections of Los Alamos. Neither of these activities, however, were of the scope or complexity of the current Inspection and Evaluation (I&E) program.

With respect to the current situation at Los Alamos, immediately after being debriefed on the I&E inspection in March 1984, the Manager, Albuquerque Operations Office, and I in coordination with Secretary Hodel directed that the assembly of nuclear test devices in the TA–16 facility be stopped and transferred to the Nevada Test Site.

Albuquerque has authorized Mason and Hanger, the guard force contractor at LANL, to increase its protective force by 117 security inspectors (above the current strength of about 250), and they have provided the necessary funding.

The training at LANL has been accelerated and intensified. Security plans and response plans are being upgraded. An accelerated schedule of recruitment and clearance has been developed.

I would conclude by stating that at no time were the weapons devices, components, or SNM at an unacceptable level of risk at this facility, although significant upgrading actions were sorely needed.

INDEPENDENT SECURITY ASSESSMENT

Senator LEVIN. DOE once had an "Independent Assessments Program" to provide, supposedly, candid assessments of nuclear security.

D'd you support the action to abolish the Independent Assessment Program?

Did the Independent Assessment Program provide valuable information on important issues of security and safeguards?

General HOOVER. As the Director of Military Application, I was not involved nor consulted in the action taken to abolish the Independent Assessment Program.

Certainly some of the information reported by the assessment teams was valuable and necessary to alert field managers and Headquarters program managers as to the need to take corrective actions.

The current DOE threat guidance now forms the baseline for performance-oriented exercises conducted by the Inspection and Evaluation program and provides a basis for making judgments regarding the safeguards and security posture.

SAFEGUARDS INSPECTION AND EVALUATION PROGRAM

Senator LEVIN. Are you satisfied that the Inspection and Evaluation (I&E) program has been provided the high quality of information on safeguards and security adequacy that is required?

I understand that you intend to transfer the I&E function from the Office of Safeguards and Security (OSS) to your immediate office.

How will this move improve the Department's oversight capability?

Could such a move deprive the OSS of its ability to provide proper, programmatic oversight by reducing its independence?

Who advised you to take this action?

General HOOVER. I believe that the I&E program provides highly credible information to the entire management chain of protection effectiveness. The I&E program is dynamic and continues to refine and improve inspection techniques. The program is founded upon a base of experience, including the former assessment program and has benefited from a knowledge of the shortfalls of similar activities.

My recommendation to the Secretary was to relocate the Inspection and Evaluation (I&E) function from the Office of Safeguards and Security (OSS) and have it report directly to me. This will elevate the visibility of the program and hopefully remove any doubts as to this program's independence and objectivity and at the same time allow it to retain the necessary proximity to the expertise and day-to-day policy and program activities that give it substance, relevance, and, most important, effectiveness.

The OSS, which will continue to report to the Deputy Assistant Secretary for Security Affairs (who has responsibility for oversight of the safeguards and security program), will continue in its role of developing and implementing safeguards and security policy and serve as the single focal point for all major Departmental safeguards and security activities.

On the matter of an independent inspection program, I considered the recommendation of Chairman Dingell's subcommittee that an Office of Safeguards Evaluation be established.

I also discussed this matter with National Security Council staff and the Office of the Secretary of Energy.

Additionally, I took into consideration my past experience in the Air Force and, in my judgment, the appropriate level of responsibility for independent inspection and evaluation of safeguards and security should be at the Assistant Secretary's level.

Senator LEVIN. I understand that Chairman Dingell of the House Energy and Commerce Subcommittee on Oversight and Investigations is proposing that an Office of Safeguards and Evaluation (OSE) be established in the Department of Energy.

Do you support the establishment of an OSE by legislation that would report directly to the Secretary instead of the Director of Safeguards and Security?

General HOOVER. The organizational placement of this type of activity was discussed at the Secretarial level among Departmental principals throughout the summer and fall of 1983.

As the Secretary pointed out in his testimony before the House Armed Services Subcommittee on Investigations in October 1983, he continues to look to the Office of the Inspector General (IG) to provide him with the checks and balances needed to ensure responsible management of these and other Departmental activities.

He subsequently reiterated his position regarding this matter in recent correspondence with Chairman Dingell. I should note that the Secretary has asked his IG to assess the adequacy, effectiveness, and management of the current safeguards and security program including its organizational structure.

In addition, the Department's safeguards and security program receives a considerable degree of outside independent oversight by the General Accounting Office and various committees and subcommittees of the Congress.

As I testified, my recommendation to the Secretary was to relocate the Inspection and Evaluation (I&E) function from the Office of Safeguards and Security (OSS) and have it report directly to me. This will elevate the visibility of the program and hopefully remove any doubts as to this program's independence and objectivity and at the same time allow it to retain the necessary proximity to the expertise and day-to-day policy and program activities that give it substance, relevance, and, most important, effectiveness.

We are expanding the resources provided to the I&E program to provide more staff which will allow for more frequent and detailed inspections of critical DOE facilities. Through the expanded I&E program, system deficiencies are being identified for corrective actions in the most time effective manner possible.

The OSS, which will continue to report to the Deputy Assistant Secretary for Security Affairs (who has responsibility for oversight of the safeguards and security program), will continue in its role of developing and implementing safeguards and security policy and serve as the single focal point for all major Departmental safeguards and security activities, including necessary oversight functions.

CHANGES IN SAFEGUARDS OVERSIGHT RESPONSIBILITY

Senator LEVIN. What other changes in management or organizational or oversight responsibility should be made in DOE to reduce what appears to have been past problems in coordination between the Office of Military Application and the Office of Safeguards and Security on security problems?

General HOOVER. I believe the actions I have proposed will significantly clarify functional responsibilities and lead to a more efficient oversight and implementation activity within the Department.

I have committed to the Secretary as Assistant Secretary to take full and complete responsibility for safeguards and security throughout the Department of Energy.

HARASSMENT OF A DOE EMPLOYEE

Senator LEVIN. There have been allegations about official harassment of a DOE employee who discussed certain security issues with the Associate Minority Counsel of the House Oversight and Investigations Subcommittee.

Do you feel that a DOE employee has a responsibility to respond honestly to a congressional request for information?

Do you feel that a DOE employee should be penalized if the information he provides to Congress is unfavorable to DOE officials?

General HOOVER. Yes, sir, without question. It is my contention that all Federal employees have an obligation to be totally honest and forthright in all communications with the Congress, congressional staff, the executive branch, and/or the general public.

No, sir, I do not support nor would I condone an employee being "penalized" for providing information to the Congress which is unfavorable to DOE officials.

I realize that, at times, communication among levels of management may break down, possibly resulting in a misunderstanding of management decisions on the part of some people. I would hope to strengthen communications within Defense Programs and, thus, minimize such breakdowns in the future.

SAFEGUARDS AND SECURITY RESPONSIBILITIES

Senator LEVIN. As Assistant Secretary for Defense Programs, you will be responsible for the adequacy of safeguards and security throughout the Department of Energy's nuclear weapons complex. I am concerned that you appreciate the magnitude and significance of this responsibility.

What additional actions will you take to ensure that safeguards and security are adequate?

General HOOVER. I fully appreciate the magnitude and significance of the safeguards and security responsibilities of the office.

Furthermore, I am personally committed to assuring that the Department of Energy's (DOE) nuclear materials production and weapons manufacturing and testing facilities are afforded the maximum degree of protection required in the interests of national security.

Actions which will be taken in assuring the adequacy of safeguards and security include the following:

I plan to remove the I&E function from the Office of Safeguards and Security (OSS) and have that activity reporting directly to my office, with appropriate coordination of the results of inspections with OSS management. This will elevate the visibility of the I&E activity within the Department and afford it the independence from the OSS policy and operations activities which it requires.

Expansion of the resources provided for conducting our Inspection and Evaluation (I&E) program so that the Department can increase the frequency of its inspections and provide for reinspections where significant problems have been identified at our facilities.

We will continue to stress the system by vigorous inspection and testing, and it is expected that vulnerabilities will continue to be identified. We will devote our full energies to correcting those deficiencies as they are identified.

OSS will be designated as the single focal point for all Departmental safeguards and security activities. This mechanism will strengthen the OSS oversight role, while at the same time ensuring that major physical protection projects are validated, funded, and continuously tracked on a priority basis through completion.

In addition, the Department has significantly increased its commitment of resources to safeguards and security upgrades and will continue this process in the immediate future years.

In summary, I am totally committed to the task of ensuring a fully adequate safeguards and security posture in the DOE and expect that the above representative actions will be a significant factor to that end.

NUCLEAR TEST DEVICE AT LOS ALAMOS

Senator LEVIN. How serious would it have been if the nuclear test device at Los Alamos had been stolen?

Can you justify the failure to ensure that the test devices received adequate protection?

General HOOVER. The theft of a nuclear test device would be unacceptable.

In my judgment, there was no real threat to nuclear test devices at Los Alamos. The 1980 assessment of Los Alamos did suggest that consideration be given to the assembly of nuclear weapons test devices in a more secure environment where adequate response forces could be assured.

It should be recognized that the Los Alamos nuclear weapons test device assembly operations were being conducted in an isolated, remote, and relatively inaccessible area of the Los Alamos National Laboratory (LANL) site; these features, coupled with very limited access routes, were considered as positive obstacles against postulated adversaries.

Also, the Department did not have any evidence of the existence of known adversaries of any type.

LANL did not have other available facilities which were as easily protected as the existing assembly site and, therefore, interim upgrades were adopted to provide for greater protection of the LANL assembly operations.

CONVERTING FEDERAL GUARD FORCE TO CONTRACTOR GUARD FORCE

Also, corrective actions were initiated, after approval of an A–76 study that resulted in converting the Federal guard force to a contractor guard force. This allowed LANL to hire an increased number of guards and the transition to a contractor guard force was completed in 1982.

Although the guard force was brought to full strength, there still was a need for further training of the new guards to improve overall response effectiveness. SWAT training was started in 1982; SWAT training was part of an overall effort to develop a combative capability at LANL.

The issuance by DOE of the generic threat guidance statement in January 1983 has dramatically changed the Department's thinking in the protection of DOE assets against various threat adversaries; this change in thinking has been reflected in the significant increase of the Department's budget requests for improved safeguards and security.

There is no justification for failure to ensure adequate protection of nuclear weapon test devices, I do not believe that the Department has failed in providing such protection, rather, the strategies for such protection have changed since 1980.

TRITIUM RESERVOIR-FILLING FACILITY AT SAVANNAH RIVER

Senator LEVIN. Is the tritium reservoir-filling facility located at Savannah River essential to the U.S. nuclear weapons program?

What did the 1980 Independent Assessment report have to say about security at this facility?

When were you made aware of this information?

Describe the actions that you took?

General HOOVER. The tritium reservoir-filling facility located at Savannah River is one of the more critical facilities within the nuclear weapons complex and has been recognized.

However, a decision, primarily for budgetary reasons, was taken to adopt a "single-threat" production complex. This has been the case since the mid-1970s.

In addition, recognizing the long-range projection for weapons production, this was considered a cost-effective approach. We have kept our authorization and appropriations committees fully and currently apprised of this approach and they interposed no objection. Nearly all weapons in the United States' nuclear stockpile require periodic replenishment of the tritium gas because of its relatively short decay time.

The 1980 Independent Assessment report identified security inadequacies with respect to the Savannah River tritium facility where interim improvements such as vehicle barriers, perimeter fence sensors, door alarms, CCTV, and improved lighting have been made.

Despite these improvements, DOE will not be satisfied with the protection for the facility until major construction upgrades are completed in the fiscal year 1988–1989 time frame.

In 1982, we were introducing a new reservoir technology into nuclear weapons which required facility modernization of our plant in Ohio. We incorporated into the design of the Mound Plant a capability commensurate with protection of the strategic nuclear weapons inventory should the Savannah River facility be disabled.

I am pleased to report that the Mound Plant became operational in July of this year, and we now have a redundant reservoir-filling capability in the production complex.

Senator LEVIN. Describe the adequacy of security at the tritium reservoir-filling facility today.

Why did it take until 1983 for DOE to consider having a redundant capability?

Elaborate on the progress of establishing this redundant capabilitiy.

General HOOVER. Recent improvements to the tritium facilities include installation of vehicle barriers, a perimeter fence sensor, additional door alarms, CCTV assessment, and improved lighting.

In addition, the Department removed protective force responsibilities from DuPont in August 1983 and awarded a security services contract to Wackenhut Services, Inc. This has resulted in marked improvements in the security forces for the entire Savannah River Plant site including the tritium facilities.

Despite these improvements, the Department will not be satisfied with the protection being afforded the tritium facilities against the outsider threat until major construction upgrades are completed in the fiscal year 1988–1989 time frame.

The Department remains concerned about the insider threat of sabotage, and we are conducting vulnerability assessments to identify system weaknesses and cost-effective solutions.

As I previously reported, the DOE has always recognized the uniqueness of the Savannah River facility and that is why, in the planning initiated in December 1982, for the Mound Plant, we included a reservoir-filling capability. That plant is now operational and has the capability of protecting the strategic inventory.

In addition to the focus on the tritium loading issue, I initiated, in 1982, an assessment of the total weapons complex with respect to redundancy. That study was performed by the TRW Corporation and has resulted in a vigorous follow-on risk assessment activity by the Sandia National Laboratories.

We are now performing site selection surveys for identified high-risk production capabilities and we will request funding by the Congress as appropriate.

SAFEGUARDS AND SECURITY ADEQUACY

Senator LEVIN. Describe the adequacy of safeguards and security at Livermore Laboratory, Rocky Flats, Y–12, Savannah River, Richland, Idaho, and Portsmouth.

Are you satisfied with the progress that is being made to correct major vulnerabilities?

What actions will you be taking?

General HOOVER. Currently, the Department believes the overall protection afforded DOE interests at the above-mentioned facilities is generally adequate with the interim upgrades now in place.

However, until major security construction upgrades are completed in the late 1980s, the Department will not be satisfied.

The Department is heavily involved in major safeguards and security enhancement activities at its nuclear facilities; this effort has been ongoing for the past several years and will continue into the late 1980s due to major construction projects aimed at replacing old and obsolete facilities.

Overall, I am encouraged by the progress made to enhance the physical protection at the above facilities over the past several years and I believe our overall program strategy is working well. We are testing our facilities protection programs, correcting vulnerabilities on an interim and long-term basis, and retesting to ensure overall effectiveness.

The above efforts will continue to have my highest level of attention.

Senator LEVIN. What significant problems remain with respect to the safety of nuclear weapons and/or weapons facilities?

Are these problems described in the annual nuclear weapons surety reports?

How will you resolve the problems quickly?

Who is responsible for writing these reports or deciding what information should be included?

Has any information about major security problems or safety problems been excluded from these reports?

When, what, and why?

General HOOVER. The Annual Report on Nuclear Weapons Surety informs the President of the status and issues concerning the safety and security of nuclear weapons. This is a joint report prepared by the Department of Defense and the Department of Energy based on guidance from the National Security Council.

The surety report specifically comments on nuclear weapon safety, nuclear explosives safety, radioactive materials dispersal safety, nuclear weapon control features, and emergency response. Ongoing discussions at the staff level regarding safety and security issues routinely take place as the positions of the two Departments are developed.

Information regarding substantiated major security or safety problems is included in these reports. For example, as stated in the 1983 annual nuclear weapons surety report, some of the oldest weapons in the stockpile are not as safe as we know how to make them today.

The approach of both the Department of Defense and the Department of Energy is to retire as many of these warheads as possible, incorporate modern safety features for those warheads which must be retained in the stockpile, and reduce the exposure of these warheads to potential accident situations.

Also, the 1983 report reflects that there were no significant nuclear weapon accidents or incidents in 1983.

The report further states that eight sets of safety rules for nuclear weapon systems were jointly approved. Safety and security inspections revealed no significant outstanding discrepancies other than those for which corrective action is under consideration, underway, or planned.

In the 1982 survey report, DOE views on subjects such as the DOD nuclear weapon inspection system, GLCM and Pershing II safety issues, rules processing by the services, manning of safety billets, and earlier consideration of safety features in design of systems were not included per agreement with the DOD as not being major issues requiring Presidential resolution or decision.

DOE concerns have been addressed as part of separate staff action between the DOD and DOE.

Both the Department of Defense and the Department of Energy (DOE), through their respective headquarters and field office staffs, provide input to the jointly prepared report. Within the DOE, the Office of Defense Programs is responsible for preparing this report.

By National Security Council guidance, should a problem arise which cannot be resolved between the two Departments, it will be included in the report.

CONTROLLING AND ACCOUNTING FOR NUCLEAR MATERIALS

Senator LEVIN. Is the DOE missing any special nuclear materials?

Are you satisfied with the present system of controlling and accounting for nuclear materials?

Do you plan to make any significant changes in the programs for nuclear material control and accountability?

General HOOVER. The DOE has specified accounting requirements as part of its integrated safeguards system for the protection of special nuclear materials (SNM).

Starting in 1977, the Energy Research and Development Administration initiated the release of periodic reports on special nuclear material inventory differences.

The first report, dated August 1977, included a statement, ". . . Analyses of the data as they were generated, in each case, resulted in explanations for the inventory differences, and this, together with the absence of physical indications of any theft attempt, and the lack of a black market in strategic special nuclear material, supports a finding that there is no evidence that significant amounts of the material were stolen.

"There are very few cases, however, where extremely small quantities of SNM in the order of 1 gram appears to have been diverted . . ."

That was for the period up to the end of fiscal year 1976. Since that time, the Department has consistently issued reports that have reflected that, ". . . these data and explanations, together with the absence of physical indications of any theft attempt, support a finding that during this period no theft or diversion of strategic special nuclear material has occurred."

The last such report was issued in January 1984, and another is scheduled to be released within the next several weeks that will also reflect the same statement.

There are two weapons-related facilities (Rocky Flats Plant in Golden, Colorado, and the Y–12 Plant in Oak Ridge, Tennessee) for which we do not publish accounting/inventory differences because they can reveal information that is classified Restricted Data.

For the above facilities, we have exercised a consistent level of review, analysis, and oversight to draw the conclusion that there has been no indication of theft or diversion.

I am not completely satisfied with the present system for controlling and accounting for nuclear materials and I am concerned that this area must receive additional emphasis and upgrading similar to that given to physical protection measures in the past years.

The systems used for controlling and accounting for nuclear materials are much more complex than their counterparts for physical protection. There were three basic parts to monitoring the nuclear material production process:

(1) Nuclear material input into the process.

(2) The process itself.

(3) Nuclear material output.

While input and output can be accounted for quite accurately, today's technology on measuring material within the process is not as precise. Improvements in technology advances (nondestructive assay equipment and techniques) continue to be developed, but for the immediate future we can expect inventory differences to continue within the process itself.

While we have made substantial progress in the past several years reducing uncertainties surrounding measurements and accounting for nuclear materials, we are continuing to develop more effective and practical ways for bringing about further improvements, consistent with the state-of-the-art, on a cost-effective basis.

In the Department, we are increasing our focus on insider threats and it is our belief that continued improvements in the areas of nuclear material control and accounting will provide us with increased levels of protection against insider threats.

We are taking full advantage of the significant technological advances over the last decade. These efforts will provide an increased degree of assurance against diversion or theft and ensure that inventory differences are as small as possible with existing technology.

To validate the effectiveness of these efforts, we are routinely testing performance effectiveness through the efforts of the Inspection and Evaluation program.

[Whereupon, at 11:17 a.m., the committee proceeded to other business.]

[The nomination of William W. Hoover was reported to the Senate by Senator Tower on August 8, 1984, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on August 9, 1984.]

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